

REPORT TO CABINET

REPORT OF: Head of Finance

REPORT NO: HOF261

DATE: 2nd December 2013

TITLE:	COUNCIL TAX BASE 2014/15	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Mike Taylor Resources and Assets Portfolio Holder	
CONTACT OFFICER:	Richard Wyles Head of Finance 01476 406210 r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required: N/A
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS		

1. RECOMMENDATION

Cabinet is recommended to approve:

1. The adjusted Council Tax base for 2014/15 to be set at 43,522.4 Band D equivalent properties.
2. The adjusted Council tax base for each parish as set out in Appendix A.
3. The distribution of the Local Council Tax Support grant for 2014/15 be established that ensures no parish or town council is better or worse off than the Council Tax base position as set out in Appendix A.

2. PURPOSE OF THE REPORT/DECISION REQUIRED

The requirements of the Local Government Finance Act 1992 amended by s84 of the Local Government Act 2003 allow each local authority to make its own arrangements for adopting the Council Tax base. The Local Authorities (Calculation of Council Tax

Base) (England) Regulations 2012 (SI 2012:2914) provides amended statutory guidance to incorporate the changes as a result of the introduction of the Local Council Tax Support Scheme.

The report is a component of setting the Council Tax for the forthcoming financial year and forms a key part of the Councils funding stream in order to meet its service delivery requirements in 2014/15. The setting of a realistic and prudent collection rate for Council Tax in 2014/15 is an essential component of the overall budget strategy. This is particularly necessary following the introduction of the Local Council Tax Support Scheme (LCTSS) in 2013/14 which introduced a number of new Council Tax payers as a result of the maximum 80% eligibility. There has been an increase in the levels of recovery activity during the year in order to provide the level of customer support. It is anticipated the collection rate of 98.3% will be achieved for this year and form the basis of the collection rate for the following year.

3. DETAILS OF REPORT

The Council Tax varies between the different bands according to proportions laid down in legislation. These proportions are based around Band D, and are fixed so that the bill for a dwelling in Band A will be a third of the bill for a dwelling in Band H. Applying the relevant proportion to each bands net property base produces the number of 'band D equivalent' properties for the area.

In determining the Council Tax Base for 2014/15, there are a number of factors that have been taken into consideration;

- The calculation of the tax base for parish purposes is based on the number of properties at 10th September 2013 and the discounts applicable on 1st October 2013 as prescribed by legislation.
- Then adjusting for assumed reductions in the tax base as a result of the move to the LCTSS

The table below summarises the position with the proposed tax base for South Kesteven 2014/15 is 43,522.4 Band D equivalents and Appendix A outlines the analysis of the figures at a Parish Level in terms of their individual Band D equivalents.

Table 1: Tax Base 2014/15 – Band D Equivalents

Total Band D Equivalents	48,103.1
Impact of LCTSS Discounts and Work Incentive	(4,580.7)
Total Band D Equivalent properties – with LCTS Scheme	43,522.4

Government Funding for Parishes

As set out in Table 1, the introduction of the LCTSS reduces the tax base and therefore the Council Tax income collected by individual precepting bodies. Alongside this it will also impact on the local precepting authorities (Parish and Town Councils) ability to raise their own precepts which based on a standstill position would be lower. The Government, through the revenue grant allocation, provides funding to support the shortfall at parish level. As there is no mechanism to make payments directly to Parish or Town Councils the Council has implemented a methodology to allocate the parish element of the grant.

Appendix A shows how the forecast parish element of the LCTSS grant should be distributed. The proposal for the distribution of the grant is in line with the methodology agreed last year. Due to the variations across each parish in terms of Council Tax support claimants there would be some parishes which would disproportionately gain or lose based on a simplified pro-rata share basis. Therefore it is recommended that the methodology is consistent with the method used last year where no parish gains or loses as a result of the grant distribution. It should be noted that the recommended grant distribution merely ensures that the parish is no better or worse off than it was assuming a nil % precept on its 2014/15 base. The total grant allocation is £95,848 which is in line with the budgeted amount for 2014/15.

4. OTHER OPTIONS CONSIDERED

None applicable

5. RESOURCE IMPLICATIONS

None applicable

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

None applicable

7. ISSUES ARISING FROM IMPACT ASSESSMENT

None applicable

8. CRIME AND DISORDER IMPLICATIONS

None applicable

9. COMMENTS OF FINANCIAL SERVICES

My comments are included in the report.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The Cabinet's approval of the council tax base detailed in this report is required in accordance with the legislation referred to.

11. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None Applicable

12. APPENDIX

Appendix A – Parish Grant allocation