

## CABINET

16 January 2018

### COUNCIL TAX BASE AND NNDR1 FOR 2018/19

#### Report of the Director for Resources

Strategic Aim:	Sound financial and workforce planning	
Key Decision: Yes	Forward Plan Reference: FP/140717	
Cabinet Member(s) Responsible:	Councillor Tony Mathias, Leader and Portfolio Holder for Corporate Finance	
Contact Officer(s):	Saverio Della Rocca, Assistant Director - Finance	01572 758159 sdrocca@rutland.gov.uk
	Andrea Grinney, Revenues and Benefits Manager	01572 758227 agrinney@rutland.gov.uk
Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

That Cabinet:

1. Approves Rutland County Council's tax base for the year 2018/19 as detailed in Appendix A equating to 15,312.9.
2. Approves that the collection rate for Council Tax is set at 99%.
3. Approves that the tax base for each of the parishes and town councils be set as detailed in Appendix B.
4. Gives delegated authority to the Chief Finance Officer in consultation with the Portfolio Holder for Corporate Finance to approve the council tax base annually from 2019/2020 onwards.

#### 1 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to approve the 2018/19 council tax base, as required by section 33 of The Local Government Finance Act 1992 in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2914/2012).
- 1.2 To seek delegated authority for the Chief Finance Officer in consultation with the Portfolio Holder for Finance and Places to undertake the calculation and approve

the council tax base for the financial year 2019/20 and subsequent years.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 The Local Authorities (Calculation of Council Tax Base) Regulations 2012 specify formulae for calculating the council tax base which must be set annually between 1 December and 31 January.
- 2.2 Local authorities are also required to provide details of expected Business rates income for the following year and this is done on a form called NNDR1 issued by the Department for Communities and Local Government (DCLG). Delegated authority was given to the Assistant Director-Finance in consultation with the Portfolio Holder for Finance to undertake the necessary work and approve NNDR1 for the financial year 2017/18 and subsequent years at Cabinet on 17<sup>th</sup> January 2017 (Report number 1/2017)

## **3 THE COUNCIL TAX BASE CALCULATION**

- 3.1 The tax base calculation is determined annually by identifying the number of properties liable to be levied and the banding in which the properties are placed and then by applying relevant exemptions, discounts, including the local council tax support scheme and banding reductions. The information is compiled for each parish and the authority's tax base is built up from these bands. The resultant figures are then adjusted to allow for a provision of growth, any anticipated losses on collection and any other adjustments.
- 3.2 The council tax base regulations require billing authorities to calculate the council tax base taking into account the reductions to be offered under local council tax support reduction schemes (LCTS. Council approved the local council tax support scheme on 7<sup>th</sup> October 2017 (report number 185/2014). No changes have been made to the main scheme for 2018/19.
- 3.3 It is estimated that the number of properties in Rutland as at 1<sup>st</sup> April 2018 will be 17,093 including 659 Ministry of Defence (MOD) properties. The tax base at Appendix A includes the local council tax support scheme and the technical reform changes to council tax set out in 3.4, resulting in a tax base of 15,312.9.
- 3.4 The Government made technical reforms to council tax to enable local authorities to raise additional revenues from 2013/14. The Council agreed on 17<sup>th</sup> October 2017 (Report number 165/2017) to:
- Remove the discount for uninhabitable homes from 1<sup>st</sup> April 2018;
  - Remove the discount for empty homes from 1<sup>st</sup> April 2018; and
  - Charge a premium of 50% for long term empty homes from 1<sup>st</sup> April 2018.
- 3.5 The detailed assumptions underpinning the tax base calculation are shown below:

<b>Area</b>	<b>Assumption</b>
Local Council Tax Support	Assumes level of claimants is in line with 2017/18. In 2017/18 the number of claimants has decreased slightly and unemployment levels are very low. The average claimant level

	is 1,474
Discounts, exemptions and Premiums	Assumes that the historic level of discounts, exemptions and premiums will continue for 2018/19. This assumption has held true in prior years. This includes the changes to technical reforms detailed at 3.4.
Collection Rate	The target set for the current year (2017/18) is 99%. The Council tax collection rate is predicted to be 98.7% in-year in 2017/18, however officers continue to collect the remaining council tax in subsequent years so 99% is achievable. It is proposed that the collection rate be set at 99% for tax base purposes.
Ministry of Defence (MoD) Contribution	<p>For the purpose of the tax base calculation MoD properties are treated as exempt. The MoD makes a Contribution in lieu of Council Tax (CILOCT) for these properties after deduction of an allowance for when properties are empty.</p> <p>CILOCT has been difficult to forecast due to the movement of the service personnel at St Georges Barracks and Kendrew Barracks in recent years. It is assumed that the Council will receive the same as last year.</p> <p>In 2017/18 the contribution was £815,108 but the council tax base was assumed to be £839,129. The Council is not informed of this contribution until after the statutory deadline for setting the tax base.</p>
Housing growth	<p>Growth from new homes is forecast using housing growth projections for planning, inspection of the development sites and determining a likely band and likely completion date for each home. This is then dampened to take into account and discounts and exemptions.</p> <p>The Council has estimated growth of 253.7 Band D equivalents in 2018/19.</p>

3.6 The total number of properties in each band is converted to a Band D equivalent figure which forms the basis for setting Council Tax. The following table shows the movement of the tax base since 2013/14:

<b>Year</b>	<b>Tax Base</b>	<b>Movement</b>	<b>% change</b>
2013/14	13,761.31	-772.09	-5.31%
2014/15	14,305.63	544.32	3.95%
2015/16	14,459.99	154.36	1.08%
2016/17	14,738.19	278.20	1.92%

2017/18	15,024.6	286.41	1.94%
2018/19	15,312.9	288.3	1.92%
NB: The change in regulations in 2013/14 meant that the tax base was reduced because of the introduction of local council tax support.			

#### **4 PARISH AND TOWN COUNCIL PRECEPTS**

- 4.1 In order for the parish and town councils to set their precepts the council must notify them of the approval of the tax base for 2018/19. This has been calculated as set out in Appendix B.

#### **5 NATIONAL NON DOMESTIC RATES**

- 5.1 Each year local authorities are required to provide details of expected Business rates income for the following year and this is done on a form called NNDR1. The Council receives the NNDR1 form in late December each year. The form is completed and returned to the Department for Communities and Local Government by 31<sup>st</sup> January each year. Completion of the form involves some judgment about expected growth, losses from successful appeals, levels of exemptions, discounts and reliefs and includes a provision for bad debt. Cabinet gave delegated authority to the Assistant Director-Finance in consultation with the Portfolio Holder for Finance to undertake the necessary work and approve the NNDR1 form.

#### **6 CONSULTATION**

- 6.1 Formal external consultation is not required for any decisions being sought in this report but consultation has been taken internally with planning colleagues to inform assumptions made in setting the tax base.

#### **7 ALTERNATIVE OPTIONS**

- 7.1 The Council is required by law to set a tax base for each financial year. Cabinet could ask officers to revisit some of the assumptions made in arriving at the tax base calculations.

#### **8 FINANCIAL IMPLICATIONS**

- 8.1 Approval of the tax base is a key element of the budget cycle and the Council Tax setting process. Council tax represents the substantial majority of council funding.
- 8.2 The tax base will generate £1.2m of additional income on the assumption that Council approve a council tax increase of 3.99%.

#### **9 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 9.1 The Council is required by law to set a council tax base and NNDR tax base for each financial year. The regulations make provision on how the council tax base should be calculated.

- 9.2 The Council is able to delegate the calculation and setting of the tax base to the Chief Financial Officer for the Council under Section 84 of the Local Government Act 2003 which amends Section 67 of the Local Government Finance Act 1992 permitting the delegation of certain council tax functions which previously had to be discharged by the authority.

## **10 EQUALITY IMPACT ASSESSMENT**

- 10.1 An Equality Impact Assessment has not been completed because there are no service, policy or organisational changes being proposed.

## **11 COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are no community safety implications arising from this report.

## **12 HEALTH AND WELLBEING IMPLICATIONS**

- 12.1 There are no health and wellbeing implications arising from this report.

## **13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 13.1 The Council must meet the statutory requirements to set a tax base for 2018/19.

## **14 BACKGROUND PAPERS**

- 14.1 There are no additional background papers to the report.

## **15 APPENDICES**

Appendix A Tax Base for 2018/19

Appendix B Tax Base for parish and town councils for 2018/19

**A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.**



## Appendix B. Tax base for parish and town councils for 2018/19

Parish	Properties	Chargable Dwellings	Band D Equivalents	Unbanded	Estimated Growth	Collection Rate	Taxbase sub-total	Taxbase sub-total	MOD	Taxbase Estimate
1 Ashwell	128	114.53	144.14	0.00	0.00	99%	142.70	142.68		142.68
2 Ayston	17	15.10	21.22	0.00	0.00	99%	21.01	21.01		21.01
3 Barleythorpe	744	656.72	633.74	1.72	111.98	99%	740.22	740.12		740.12
4 Barrow	41	33.91	42.58	0.00	0.00	99%	42.15	42.15		42.15
5 Barrowden	224	201.98	266.71	0.00	0.00	99%	264.04	264.01		264.01
6 Beaumont Chase	1	1.00	1.44	0.00	0.00	99%	1.43	1.43		1.43
7 Belton-In-Rutland	168	143.53	179.27	0.61	0.00	99%	178.08	178.06		178.06
8 Bisbrooke	100	89.35	108.09	0.00	1.93	99%	108.94	108.93		108.93
9 Braunston-In-Rutland	194	166.98	207.06	0.00	12.89	99%	217.84	217.82		217.82
10 Brooke	28	26.40	38.44	0.00	0.00	99%	38.06	38.05		38.05
11 Burley	127	108.48	131.76	0.00	0.00	99%	130.45	130.43		130.43
12 Caldecott	127	108.05	119.87	0.00	0.00	99%	118.67	118.66		118.66
13 Clipsham	57	50.95	69.81	0.00	0.00	99%	69.11	69.10		69.10
14 Cottesmore	961	450.96	441.23	0.00	0.00	99%	436.82	436.76	307.14	743.90
15 Edith Weston	402	169.37	192.47	0.00	0.00	99%	190.55	190.52	116.78	307.31
16 Egleton	40	37.50	52.72	0.00	0.00	99%	52.19	52.19		52.19
17 Empingham	391	340.69	412.52	0.00	16.80	99%	425.17	425.11		425.11
18 Essendine	188	169.48	170.78	0.00	1.24	99%	170.33	170.30		170.30
19 Exton & Horn	275	228.33	248.34	0.00	0.00	99%	245.86	245.83		245.83
20 Glaston	88	77.71	90.94	0.00	0.00	99%	90.03	90.01		90.01
21 Great Casterton	183	162.47	175.50	0.00	0.00	99%	173.74	173.72		173.72
22 Greetham	306	251.61	264.79	0.00	6.48	99%	268.63	268.59	7.98	276.57
23 Gunthorpe	14	10.58	10.35	0.00	0.00	99%	10.24	10.24		10.24
24 Hambleton	65	57.63	85.97	0.00	0.00	99%	85.11	85.10		85.10
26 Ketton	846	715.68	772.07	0.67	6.41	99%	771.49	771.39		771.39
27 Langham	682	585.28	620.39	0.33	0.00	99%	614.51	614.43		614.43
28 Leighfield	6	4.75	6.72	0.00	0.00	99%	6.65	6.65		6.65
29 Little Casterton	108	97.27	110.49	0.00	0.00	99%	109.38	109.37		109.37
30 Lyddington	182	162.95	216.46	0.00	0.00	99%	214.30	214.27		214.27
31 Lyndon	41	35.30	45.52	0.00	0.00	99%	45.06	45.06		45.06
32 Manton	158	130.58	164.73	0.00	0.70	99%	163.81	163.79		163.79
33 Market Overton	222	192.53	213.08	0.33	0.00	99%	211.28	211.26		211.26
34 Martinthorpe	0	0.00	0.00	0.00	0.00	99%	0.00	0.00		0.00
35 Morcott	161	139.57	182.70	0.00	0.00	99%	180.87	180.85		180.85
36 Normanton	12	11.50	16.00	0.00	0.00	99%	15.84	15.84		15.84
37 North Luffenham	350	297.93	321.00	0.61	0.00	99%	318.40	318.36		318.36
38 Oakham	5,074	4171.46	4027.69	2.94	76.07	99%	4066.35	4065.82		4065.82
39 Pickworth	29	27.45	32.76	0.00	0.00	99%	32.43	32.43		32.43
40 Pilton	17	15.00	21.22	0.00	0.00	99%	21.01	21.01		21.01
41 Preston	101	84.87	101.89	0.00	0.00	99%	100.87	100.86		100.86
42 Ridlington	83	74.24	95.78	0.00	0.00	99%	94.83	94.81		94.81
43 Ryhall	743	616.09	596.55	0.00	0.00	99%	590.58	590.50		590.50
44 Seaton	91	85.23	113.82	0.00	1.94	99%	114.62	114.61		114.61
45 South Luffenham	218	195.60	228.49	0.00	0.00	99%	226.20	226.17		226.17
46 Stoke Dry	14	12.75	18.19	0.00	0.00	99%	18.01	18.01		18.01
47 Stretton	140	129.85	133.53	0.00	0.00	99%	132.19	132.18		132.18
48 Teigh	26	24.50	30.61	0.00	0.00	99%	30.30	30.30		30.30
49 Thistleton	47	41.36	49.78	0.00	0.00	99%	49.28	49.27		49.27
50 Thorpe-By-Water	27	22.76	37.49	0.00	0.00	99%	37.11	37.11		37.11
51 Tickencote	34	29.30	39.65	0.00	0.00	99%	39.26	39.25		39.25
52 Tinwell	97	85.27	104.99	0.00	0.00	99%	103.94	103.92		103.92
53 Tixover	80	63.48	62.39	0.00	0.00	99%	61.77	61.76		61.76
54 Uppingham	1,897	1527.78	1531.01	0.44	12.75	99%	1529.02	1528.82		1528.82
55 Wardley	14	12.46	17.70	0.00	0.00	99%	17.52	17.52		17.52
56 Whissendine	549	484.89	562.39	0.00	2.83	99%	559.68	559.61		559.61
57 Whitwell	26	24.46	35.81	0.00	0.00	99%	35.45	35.44		35.44
58 Wing	149	128.57	149.33	0.00	1.70	99%	149.56	149.54		149.54
<b>Totals</b>	<b>17,093</b>	<b>13,904.03</b>	<b>14,769.99</b>	<b>7.67</b>	<b>253.69</b>		<b>14,882.97</b>	<b>14,881.03</b>	<b>431.90</b>	<b>15,312.9</b>