

Blaby District Council

Cabinet Executive

Date of Meeting	16 January 2023
Title of Report	Council Tax Base 2023/24 This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Maggie Wright – Finance, People & Performance (Deputy Leader)
Report Author	Council Tax Income & Debt Recovery Manager

1. What is this report about?

- 1.1 The purpose of this report is to set the Council Tax Base for the 2023/24 year so that in February, Council will be able to use this information and set the Council Tax for the year. The report also seeks approval to set aside 'special items' of expenditure under Section 34 and 35 of the Local Government Finance Act 1992.

2. Recommendation(s) to Cabinet Executive

- 2.1 That the Tax Base for the year 2023/24 is set at 34,369.72
- 2.2 The amount calculated by Blaby District Council as the Council Tax Base for each of the District's Parishes for the year 2023/24 is shown at Appendix C.
- 2.3 That the Tax Base is prepared without taking into account special expenses under Section 34a and 35 of the Local Government Finance Act 1992.

3. Reason for Decisions Recommended

- 3.1 The Council is statutorily required to set its base each year by 31st January before the subject year.
- 3.2 To enable the Tax Base to be prepared without taking into account special expenses as explained below.

4. Matters to consider

4.1 Background

The Council Tax Base is the measure used to calculate the Council's tax setting capacity for Council Tax. The Local Authorities (Calculation of Council

Tax Base) (England) Regulations 2012 contains the rules which officers have used to set the Council Tax Base.

- 4.2 The total number of dwellings in the District are included in one of eight Council Tax bands (with A being the lowest and H being the highest value property). The Tax Base is calculated by taking the total number of dwellings and then applying a number of discounts or premiums. A formula is then applied which converts the number of dwellings into an average number which is the number of properties equivalent to an average Band D property.

The Tax Base and Council Tax amount is always quoted as an average Band D equivalent.

Details of the applicable adjustments and the formula used is shown in Appendix A.

The level of Council Tax Support is also applied to the calculation.

The final element of the calculation is the assumed level of Council Tax that cannot be collected. For many years the collection rate has been set at 99%. In light of the Impact of COVID-19 on Council Tax and Non-Domestic Rates collection, consideration has been given as to whether the collection rate should be reduced.

There has also been consideration in light of the cost of living crisis. As no major impact has been seen over the past 2 years to reduce the collection rate, it is proposed that the rate is left unchanged for 2023/24.

- 4.3 As at 1st December 2022 there were 44,155 Council Tax dwellings in the District which has been calculated to produce a Council Tax Base of 34,369.72, Band D equivalent dwellings.

The change in the Council Tax Base from 2022/23 is an increase of 123.49. This increase is due to a combination of growth in the number of dwellings, a change in the number of discounts awarded, discount changes for second homes and premium charges for long term empty properties.

- 4.4 Section 34 and 35 of the Local Government Finance Act detail how Parish precepts are treated and allows the Parish precepts to be included in the Council Tax bills for the District.

Section 35 of the act requires the Authority to carry out separate calculations for each parish if the District carries out a function for one parish that is not provided to others and other parishes carry out that function themselves.

These calculations add an unnecessary complication to the precept setting and therefore recommendation 2.3 allows the Authority to calculate the Tax Base without having to take these 'special items' into consideration.

5. What will it cost and are there opportunities for savings?

- 5.1 The financial implications of this Tax Base will be dealt with in the setting of the Council Tax 2023/24 at the Council Meeting in February 2023.

6. What are the risks and how can they be reduced?

6.1	<table><tr><th>Current Risk</th><th>Actions to reduce the risks</th></tr><tr><td>Not setting the Tax Base correctly and thereby not collecting enough Council Tax to provide services.</td><td>The Tax Base calculations are based on most current and up to date information.</td></tr><tr><td>The Tax Base may be impacted by the effects of the pandemic.</td><td>The Cost of Living Crisis may impact on the number of properties being built being lower than estimated or additional Council Tax Support may be granted. Both of these will reduce the Tax Base but the Council will continue to monitor the situation to highlight any impact this may have.</td></tr></table>	Current Risk	Actions to reduce the risks	Not setting the Tax Base correctly and thereby not collecting enough Council Tax to provide services.	The Tax Base calculations are based on most current and up to date information.	The Tax Base may be impacted by the effects of the pandemic.	The Cost of Living Crisis may impact on the number of properties being built being lower than estimated or additional Council Tax Support may be granted. Both of these will reduce the Tax Base but the Council will continue to monitor the situation to highlight any impact this may have.
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7. Other options considered

- 7.1 None – the setting of the Council Tax Base is a statutory requirement.

8. Other significant issues

- 8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

- 9.1 Appendix A – Definitions of Council Tax Base Calculation
- 9.2 Appendix B – District Summary Total, Council Tax Base Calculation 2023/24
- 9.3 Appendix C – Council Tax Base Summary by Parish

10. Background paper(s)

- 10.1 File and calculations held by Council Tax Income & Debt Manager

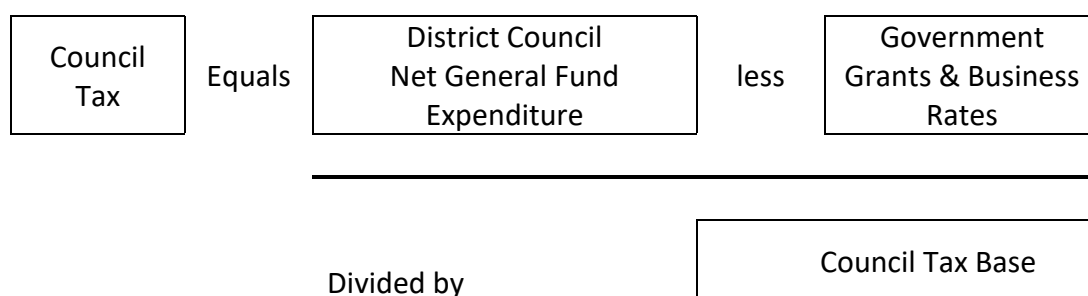
11. Report author's contact details

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Appendix A

The calculation for determining the Council Tax in respect of the services provided by Blaby District Council is set out below in narrative form.



A key element of the above calculation is the Council Tax Base itself. This represents the number of Band D equivalent dwellings adjusted for the following items:

- Exemptions;
- Discounts;
- New properties;
- The Collection Rate percentage.

The Council Tax Base (T) calculation is defined by the following formula:-

$$T = A \times B$$

The constituent elements of A and B are set out below:

DEFINITION OF A

In broad terms A equals the aggregate of the Band D equivalent dwellings after taking into account certain adjustments.

The calculation of the Band D equivalent dwellings for each band is known as the 'relevant amount' and is determined in accordance with the following formula:-

$$\text{Relevant amount} = \frac{((H - (I \times E) + J) - Z) \times F}{G}$$

where:-

"H" is equal to:- the number of chargeable dwellings listed in each band on the 1st of December calculated as follows:-

- (i) the number of dwellings in the band listed in the valuation list on the 1st of December, less:-
- (ii) an estimate of the number of exempt dwellings on the 1st of December.

Taking into account alterations to the valuation list, advised by the Valuation Officer, but not shown on the valuation list, together with disabled reductions (i.e. movements to the next band down).

"I" is equal to:- The estimated number of discounts in respect of chargeable dwellings as at the 1st of December, expressed in terms of units of discount.

- “E” is equal to:- The appropriate percentage of discount (e.g. 25%).
- “J” is equal to:- The estimated amount of changes in the number of chargeable dwellings, shown either as an increase or a decrease, between the 1st of December, and the end of 2023/2024 expressed as full year equivalents, taking into account relevant discounts not included in “I” above.
- “Z” is equal to:- The total amount that the authority estimates will be applied in relation to the authority’s council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.
- “F” is equal to:- The multiplier for the valuation band being calculated.
- “G” is equal to:- The multiplier for Band D.

The individual band amounts are then aggregated to give a total relevant amount for the District.

DEFINITION OF B

B is equal to the authority’s estimate of its collection rate for the year expressed as a percentage of the total Band D equivalent dwellings. The percentage has been set at 99%. Collection performance during the current financial year indicates that it is appropriate to set a rate of 99%, which will enable the Collection Fund to fully discharge its precepting requirement.

Appendix B

DISTRICT - SUMMARY TOTAL

2023-24

Total Number of Dwellings on Valuation List

Est. No. of Dwellings on List estimated to be exempt (excluding Class A & Class C)

Est. of Income lost due to 1 month Class C exemption (Equivalent, = No. x 0.083)

Est. No. of Dwellings lost from this band moving to lower band due to 'disabled reductions'

Est. No. of Dwellings added from next band moving to this band due to 'disabled reductions'.

Est. No. of Long Term Empty Properties subject to a 100% Premium

No. of Chargeable Dwellings

No. of 'Appropriate Percentage' Discounts:

Single occupier & Disregard Dwellings (Number of dwellings)

Est. No. of Dwellings with Class D & Local Discounts (Equivalent, = No. x 2)

Total

Appropriate Percentage

Deduction from Chargeable Dwellings.

Est. No. of Dwellings not on List but expected to be added to the list by 1 April, 2022

(Full Year Equivalents - No. x period)

Est. No. of Dwellings not on List but expected to be listed for the whole or part of the year.

(Full Year Equivalents - No. x period)

Est. No. of Dwellings on List or estimated to be added to the list, but expected to be removed

from the list for the whole or part of the year (Full Year Equivalents - No. x period)

Aggregate effect of changes during the year in the number of discounts, as an equivalent

number of dwellings. (Increase in discount = reduction in tax base)

Aggregate of Adjustments

Local Council Tax Support Scheme

Ratio to Band D - Fraction

Ratio to Band D - Decimal

"Relevant Amount"

Collection Rate

Estimate of contributions from MoD (Class O)

Council Tax Base

Council Tax Base Calculation 2023-24

[illegible]

Appendix C

Council Tax Base Summary 2023-24

	Parish Tax Base			
Parish	This Year	Last Year	Movement	Movement %
Aston Flamville	126.95	132.41	-5.46	-4.12
Blaby	2,200.78	2,180.60	20.18	0.93
Braunstone Town	4,904.03	4,887.80	16.23	0.33
Cosby	1,179.20	1,172.93	6.27	0.53
Countesthorpe	2,588.55	2,594.97	-6.42	-0.25
Croft	555.08	559.04	-3.96	-0.71
Elmesthorpe	311.92	305.77	6.15	2.01
Enderby	1,961.05	1,952.96	8.09	0.41
Glenfield	3,796.11	3,789.13	6.98	0.18
Glen Parva	1,849.82	1,838.60	11.22	0.61
Huncote	646.98	647.32	-0.34	-0.05
Kilby	127.50	125.21	2.29	1.83
Kirby Muxloe	2,033.89	2,021.96	11.93	0.59
Leicester Forest East	2,436.69	2,427.45	9.24	0.38
Leicester Forest West	18.30	18.31	-0.01	-0.05
Lubbesthorpe	768.40	795.28	-26.88	-3.38
Narborough	2,993.55	3,003.49	-9.94	-0.33
Potters Marston	12.67	12.67	0.00	0.00
Sapcote	1,249.03	1,201.89	47.14	3.92
Sharnford	400.52	398.00	2.52	0.63
Stoney Stanton	1,480.16	1,471.34	8.82	0.60
Thurlaston	290.18	292.13	-1.95	-0.67
Whetstone	2,419.60	2,397.95	21.65	0.90
Wigston Parva	18.76	19.02	-0.26	-1.37
Total	34,369.72	34,246.23	123.49	0.36