



Council

Monday 24 January 2022

Subject: Collection Fund - Council Tax Surplus 2021/22 & Council Tax Base 2022-23.

Report by:	Assistant Director of Finance and Property Services and Section 151 Officer
Contact Officer:	Caroline Bird Principal Corporate Accountant Caroline.Bird@west-lindsey.gov.uk
Purpose / Summary:	<p>The report sets out the declaration of the estimated surplus on the Council's Collection Fund relating to Council Tax at the end of March 2022 and how it is shared amongst the constituent precepting bodies.</p> <p>It also sets out the Council tax base calculation for 2022/23. The tax base is a key component in calculating both the budget requirement and the council tax charge</p>

RECOMMENDATION(S):

- 1) That Members accept that the estimated surplus of £225,500 be declared as accruing in the Council's Collection Fund at 31 March 2022 relating to an estimated Council Tax surplus.**
- 2) That the Council uses its element of the Collection Fund surplus/deficit in calculating the level of Council Tax in 2022/23.**
- 3) Approves, in accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended, the amount calculated by the Council as its Council Tax Base for the whole of the District area for 2022/23 shall be 31,038.46 as detailed in this report and appendices.**

IMPLICATIONS

Legal: It is a requirement under the Local Government Finance Act 1992 that the Council calculates the tax base for council tax purposes. This must be done before 15 January prior to the financial year to which the tax base relates. It is also a requirement that the resolution determining the calculation be notified to the County Council between 1 December 2021 and 31 January 2022.

It is a requirement under the Local Government Finance Act 1992 that any estimated surplus on the previous year's Collection Fund shall be shared amongst the major precepting bodies.

Financial : FIN/155/22/CB

The estimated surplus in Council tax totals £1,470,700 to be shared as follows:-

Lincolnshire County Council £1,041,800

Police and Crime Commissioner, Lincolnshire £203,400

West Lindsey District Council £225,500

West Lindsey District Council will include its surplus share within its budget 2022/23 and taken into account for Council Tax setting. The surplus share of £225,500 represents an increase of £58,000 against the 2021/22 budgeted surplus of £167,500.

Staffing : None directly arising as a result of this report

Equality and Diversity including Human Rights : None directly arising as a result of this report

Data Protection Implications : None directly arising as a result of this report

Climate Related Risks and Opportunities: None directly arising as a result of this report

Section 17 Crime and Disorder Considerations: None directly arising as a result of this report

Health Implications: None directly arising as a result of this report

Title and Location of any Background Papers used in the preparation of this report :

Risk Assessment :

The Council is bound by legislation undertake the necessary work to determine the Council Tax Base and to distribute the estimated surplus on the Collection Fund. Failure to do so would mean that the Council would be acting illegally and would be prone to appropriate sanctions

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

X

1. Collection Fund Surplus for 2021/22

- 1.1 The Council is required to declare an estimate of the surplus or deficit that will occur on the Collection Fund at the end of each year. The Collection Fund records the amount of income collected from Council Tax, together with precept payments to principal authorities. These elements will generate a surplus or a deficit which should be taken into account when determining the Council Tax for the following year.
- 1.2 Any surplus or deficit generated through the Collection fund in relation to Council Tax is shared between the County Council, the Lincolnshire Police Authority and this Council in the same proportion as the amount of their precepts for 2021/22
- 1.3 A surplus or deficit may occur in the Collection Fund if the Council tax base is larger or smaller than originally anticipated or collection rates are higher or lower than expected.

2 Estimated Council Tax Surplus for 2021/22

- 2.1 The amount calculated as available from the Collection Fund arising upto 31.3.2022 and for distribution during 2022/23 has been calculated as £1,470,700
- 2.2 This amount will be shared amongst the precepting authorities as follows:

	£
Lincolnshire County Council	1,041,800
Police and Crime Commissioner	203,400
West Lindsey District Council	225,500

	£1,470,700

- 2.3 This Council must take its share of the surplus, being £225,500, into account when it sets its element of the Council Tax for 2022/23.

3 The Council's Tax base for 2022/23

- 3.1 The tax base is an important factor in determining the level of Council Tax for the next year. It is expressed as the equivalent of the number of dwellings in Band D.
- 3.2 The calculation takes into account the following factors:-
- 3.2.1 The number of chargeable dwellings in each valuation band in each Parish on 30 November 2021.
- 3.2.2 The number of discounts available to single and other eligible persons and for vacant dwellings.

- 3.2.3 The number of premiums effective at the relevant date.
- 3.2.4 The number of valuation band reductions for dwellings adapted for the disabled.
- 3.2.5 The number of dwellings exempt from liability.
- 3.2.6 The total amount estimated to be applied for the Council Tax Support Scheme.
- 3.2.7 The estimated amount of Council Tax collection in the financial year.
- 3.2.7 The proportion which dwellings in each band bear to Band D, on a full year basis.
- 3.3 The Council Tax Support scheme was introduced in April 2013 enabling actual information to be used as a basis for the estimation in calculating the impact of the reductions on the tax base. These are detailed within the calculation of the tax base at Appendix 1.
- 3.4 The number of chargeable dwellings in each valuation band has been taken from the valuation list supplied by the Valuation Office on 31 October 2021 and updated by the Council Tax department on 30 November 2021. A summary of the calculation and adjustments taken into account is shown at Appendix 1. The overall tax base for 2022/23 is estimated to be 31,038.46 (30,128.37 2021/22) Band D equivalent properties (increase of 3%)
- 3.5 The number of properties exempt from Council Tax, including Ministry of Defence buildings, has been deducted from the initial tax base. Direct payments in lieu are received from the Ministry of Defence and these are included later in the tax base calculation.
- 3.6 A loss on collection results in a collection rate from Council Tax of 98.3% (2021/22 98.3%) (The National Average collection rate for 2020-21 was 95.7%, decrease from 2019-20 which was 96.8%) which has been taken into account, reflecting current levels of collection.
- 3.7 The Council levies additional amounts for the precepts of Local Councils, and separate tax bases are required for those areas. These are shown at Appendix 2.