



Council

Monday, 21 January 2019

Subject: Council Tax Base and Council Tax Surplus 2019/20

Report by:

Executive Director of Resources

Contact Officer:

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Purpose / Summary:

To approve the Council tax base for the district and to determine the Surplus or Deficit to be distributed for the purpose of 2019/20 budget setting

RECOMMENDATION(S):

- 1. To approve the Council Tax base 2019/20, calculated in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, as being 29,532.83**
- 2. To approve the amount of Council Tax Surplus to be distributed as £1,391,000.**

IMPLICATIONS

Legal: None from this report

Financial : FIN/192/19
The Council tax base is used when setting the Council Tax
The Surplus or Deficit is an income or charge to revenue and is taken into account when setting the budget

Staffing : None from this report

Equality and Diversity including Human Rights : None identified from this report

Risk Assessment : There is a risk that collection rates may be lower than the estimated 98.3% utilised for the purpose of calculating the tax base. However, it is expected over the long term that this rate is achievable.

Climate Related Risks and Opportunities : None arising from this report

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

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

Key Decision:

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

Yes

No

Executive Summary

Collection Fund Surplus for 2019/20

1 Introduction

- 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 Police Crime Commissioner and this Council in the same proportion as the amount of their precepts for 2018/19.
- 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 2019/20

- 2.1 The amount calculated as available from the Collection Fund for distribution during 2019/20 has been calculated as £1,391,000 (2018/19 £650,180)

- 2.2 This amount will be shared amongst the precepting authorities as follows:

	£
Lincolnshire County Council	995,000
Police and Crime Commissioner	176,000
West Lindsey District Council	220,000

	1,391,000

- 2.3 This Council must take the £220,000 into account when it sets its element of the Council Tax for 2019/20

3 The Council's Tax base for 2019/20

- 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 2018.

- 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.
- 3.2.8 An estimated collection rate of 98.3%
- 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 Appendix A.
- 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 2018 and updated by the Council Tax department on 30 November 2018. A summary of the calculation and adjustments taken into account is shown at Appendix A.
- 3.5 The overall tax base for 2019/20 is estimated to be 29,532.83 (29,224.12 2018/19) (total of parishes below) Band D properties.
- 3.6 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.
- 3.7 A loss of collection from Council Tax equal to 98.3% has been taken into account, reflecting current levels of collection and assumed collection rates for the changes proposed.
- 3.8 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 B.