



**NORTHAMPTON**  
BOROUGH COUNCIL

# COUNCIL

## 22 JANUARY 2018

Agenda Status: Public

Directorate: LGSS Finance

|                     |                                    |
|---------------------|------------------------------------|
| <b>Report Title</b> | <b>COUNCIL TAX BASE 2018 -2019</b> |
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### 1. Purpose

- 1.1 The report sets out the calculation of Northampton Borough Council's Tax Base for the year 2017/18 under the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) regulations 2003 (SI 2003/3012) and amendments made in the Local Government Act 2012.

### 2. Recommendations

- 2.1 That Council approve the tax base for 2018/19 at 66,873.95 Band D equivalent properties and associated parish tax bases within this report.

|   | <b>2017/18</b>   | <b>2018/19</b>   | <b>Change</b>   |
|---|------------------|------------------|-----------------|
| Billing                                 | 2,678.57         | 2,761.23         | 82.66           |
| Collingtree                             | 513.75           | 522.77           | 9.02            |
| Duston                                  | 5,471.83         | 5,521.83         | 50.00           |
| Great Houghton                          | 288.21           | 290.30           | 2.10            |
| Hardingstone                            | 795.44           | 804.99           | 9.55            |
| Upton                                   | 2,993.14         | 3,015.72         | 22.59           |
| Wootton, Wootton Fields & Simpson Manor | 2,940.72         | 2,958.24         | 17.51           |
| East Hunsbury                           | 3,408.98         | 3,462.75         | 53.77           |
| West Hunsbury                           | 1,645.76         | 1,650.38         | 4.61            |
| Hunsbury Meadow                         | 501.41           | 505.45           | 4.05            |
| Northampton (Unparished)                | 44,471.48        | 45,380.28        | 908.81          |
| <b>Total tax base</b>                   | <b>65,709.29</b> | <b>66,873.95</b> | <b>1,164.66</b> |

### 3. Issues and Choices

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#### 3.1 Report Background

3.1.1 The tax base changes each year due to the movement in property type and how they are used. The key areas to review when making the estimate for next year are:

- The actual growth in the tax base as compared to the planning assumptions from the previous year.
- The planning assumptions for the rest of the current year and the next financial year
- The estimated movement in exemptions and discounts
- The estimated movement in the Council Tax Reduction Scheme
- The estimated non-collection in the tax base as a whole.

3.1.2 A summary of movement in the tax base is summarised below.

| <b>2017/18</b>   |                                       | <b>2018/19</b>   |
|------------------|---------------------------------------|------------------|
| 73,671.15        | Tax Base (Band "D" equivalent)        | 74,486.26        |
| 156.62           | Growth in tax base (note 1)           | -204.83          |
| 740.05           | Planning Assumptions (note 2)         | 535.33           |
| -81.56           | Exemptions & Discounts (note 3)       | -165.40          |
| -6,744.73        | Council Tax Reduction Scheme (note 4) | -6,273.09        |
| -2,032.25        | Non-Collection (note 5)               | -1,504.32        |
| <b>65,709.29</b> | <b>Tax base for Council Tax</b>       | <b>66,873.95</b> |

3.1.3 Note 1 - Fewer properties have been completed by the builders than they estimated in October 2016. However any properties which have not been completed to date, but will be by the end of the financial year are included in the 18/19 Planning Assumptions. There has been an increase of 612 properties from the 2017/18 tax base to the 2018/19 tax base.

3.1.4 Note 2 - This is an estimate of the properties that the builders expect to complete in the next financial year, plus any that are due to be completed between the 1<sup>st</sup> December 2017 and the 31<sup>st</sup> March 2018. There is currently a reduction of 50% of the potential banding applied to the estimated new build figures to allow for part year liability.

3.1.5 Note 3 - The main changes to exemptions, discounts and disregards are increases in awards for Severe Mental Impairment and Carer cases. This is primarily due to a greater awareness, more customers remaining in their homes for longer and the reduction in awards for CTRS. There has also been an increase in Single Person Discount awards, in the past NCC has funded a countywide review, which has resulted in a significant reduction in claims.

3.1.6 Note 4 - The current Council tax Reduction Scheme is due to stay at the same level, but there is expected to be a reduction in caseload, therefore the expenditure will reduce.

3.1.7 Note 5 - The collection rate of council tax has been increased from 97.1% to 97.8% for the 2018/19 tax base setting. Collection rates have improved in recent years, especially against arrears, to a level where a surplus has been declared in the Collection Fund. The collection rate is reviewed each year as part of the tax base setting process.

3.1.8 There is an estimated surplus to be apportioned on the Collection Fund, as detailed in the draft budget report to the December Cabinet, of £351,944 for NBC (which would equate to £1,790,688 for NCC and £320,871 for NPCC).

## **3.2 Issues**

3.2.1 The report represents the application of a prescribed process.

## **3.3 Choices (Options)**

3.3.1 To not set a tax base would render the authority unable to set a council tax.

3.3.2 The methodology used to calculate the tax base, has taken into account the previous decision by Council in 2013/14 in relation to the level of reductions awarded for Exemptions and Discounts.

3.3.3 The methodology used to calculate the tax base, has taken into account the recommendation to Council with respect to the Local Council Tax Reduction Scheme.

3.3.4 Each of these previous decisions, either individually or as a whole, could be reconsidered by Full Council and the discounts reinstated. Any decision to change the current position would have a negative financial impact on the budget report and tax base. The value of the removal of discounts is shown as a band D equivalent in appendix 1.

3.3.5 To approve the recommendations in the report

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 None

### **4.2 Resources and Risk**

4.2.1 No resource required. The base has to be determined by the 31st January 2018 by Full Council

4.2.2 That the above policy position in respect of the Local Council Tax Reduction Scheme be kept under review in respect of future years

4.2.3 That the above policy position in respect of discretionary discounts and exemptions be kept under review in respect of future years

### **4.3 Legal**

4.3.1 These are covered within the body of the report.

### **4.4 Equality**

4.4.1 No direct impact on equality context, however any resulting impact on options/ consultations for budgets will have to be considered individually.

### **4.5 Other Implications**

4.5.1 None

## **5. Background Papers**

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5.1 All background papers to support all assumptions and calculations used in estimating of the Council Tax base are retained within the Revenues & Benefits service as evidence for the audit process.

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