



**WARDS AFFECTED: ALL WARDS**

**1. PURPOSE OF REPORT**

- 1.1 The Local Government Finance Act 1992 requires that the calculation of the Council Tax Base for the financial year 2013/2014 is to be determined by no later than 31<sup>st</sup> January 2013. This is a necessary component in the setting of the 2013/2014 Council Tax.
- 1.2 The Local Authorities (Calculation of Tax Base) Regulations 2012 currently requires billing authorities to calculate the Council Tax base for the 2013/2014 financial year and this report is the result of this calculation.

**2. RECOMMENDATION**

- 2.1 That the Council Tax base for the whole and parts of the area for the year 2013/2014 be approved.
- 2.2 That in accordance with the Local Authorities (Calculation of Tax Base) England Regulations 2012 SI 2012/2914 the amounts calculated by Hinckley and Bosworth Borough Council as its tax base for the whole area for the year 2013/2014 shall be 34,351.2

and for the parts of the area listed below for the year 2013/2014 shall be:-

<b>Special Expenses Area:</b>	
Hinckley	9,449.7
<b>Parish of:</b>	
Bagworth	862.5
Barlestone	753.8
Barwell	2,502.3
Burbage	5,154.1
Cadeby	90.4
Carlton	148.0
Desford	1,421.4
Earl Shilton	2,894.2
Groby	2,547.9
Higham	243.5
Market Bosworth	871.4
Markfield	1,521.8
Nailstone	190.7
Newbold Verdon	915.6
Osbaston	95.8
Peckleton	458.3
Ratby	1,350.6

Shackerstone	382.7
Sheepy	486.5
Stanton-under-Bardon	203.4
Stoke Golding	630.2
Sutton Cheney	219.9
Twycross	337.9
Witherley	618.5

### 3. **BACKGROUND TO THE REPORT**

The Council Tax Base calculation for the financial year 2013/2014 has been carried out in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended). Appendix A shows the actual number of Band D equivalent properties on the Council Tax database as at the 30<sup>th</sup> November 2012 for each Parish and Special Expense area.

- 3.1 A non-collection rate of 0.8% has been applied to allow for non collection and banding appeals. The adjusted figures for each Parish and Special Expense area are set out in Appendix B. The respective Council Tax base for each Parish and Special Expense area is used as a basis for charging Special Expenses and Parish Precepts to the Council Tax payers of the appropriate parts of the District. This has been increased by 0.5% from previous years to reflect the potential non collection of bad debt arising from the Local Council Tax Support Scheme. This movement is consistent with other Councils
- 3.2 The 2013/14 tax base calculation also takes into account changes to the current Class C and Class A council tax exemptions. With effect from 1<sup>st</sup> April 2013, the Class C (empty and vacant for up to 6 months) exemption and the Class A (requiring or undergoing major structural alteration or repair, for up to 12 months) exemption are to be abolished. They are to be replaced by discounts, the level of which is to be determined locally by the Local Authority.
- 3.3 As part of the 'Local Council Tax Support Scheme' the proposal with regard to the above discounts, will be to reduce the Class C discount to 100% relief for one month only, the Class A discount to be reduced to 50% for up to 12 months and to remove the 10% discount on second homes. The 2013/14 tax base shown in this report has been adjusted to take into account these proposed changes.
- 3.4 In addition to the above change, the replacement of Council Tax Benefit by the new Local Council Tax Support Scheme, which is effective from 1<sup>st</sup> April 2013, will also have an impact on the 2013/14 tax base. The new support scheme introduces new discounts into the council tax base calculation, which reduces the tax base significantly in comparison to previous years. The tables included in the appendices include the estimated numbers of new Council Tax Support Discounts based on 2012/13 Council Tax Benefit expenditure.
- 3.5 The Government has replaced Council Tax Benefit Subsidy with Council Tax Support grants but has reduced the level of funding by around 10% for 2013/14. The new grants are intended to pay for the new Council Tax Support Discounts.

### 4. **FINANCIAL IMPLICATIONS [KB]**

- 4.1 The Council Tax Base is a measure of the relative taxable capacity of the District. It is expressed as the equivalent number of Band D properties and for every £1 of Council Tax (Band D level) charged, the generated income will be equivalent to that of the Council Tax Base in pounds.

4.2 The reduction in the Council Tax Base created by the changes outlined above will have a financial impact on financing of the Council. To compensate for the loss, the Local Government Finance settlement for 2013/2014 includes allocation of a "Council Tax Support Grant" which will fund an element of the shortfall. The provisional allocation for this Council is £544,811.

4.3 The budget requirement of this Authority, and of its Precepting Authorities, that is to be met by the Council Tax levy is divided by the Council Tax Base figure to arrive at the level of Council Tax to be levied on a Band D property in order to generate that amount of Council Tax income. The actual levy on properties in other Bands being calculated on a pro-rata basis using the following ratios:

Band A	6/9 of Band D
Band B	7/9 of Band D
Band C	8/9 of Band D
Band D	9/9 of Band D
Band E	11/9 of Band D
Band F	13/9 of Band D
Band G	15/9 of Band D
Band H	18/9 of Band D

4.4 Where the precept relates to only part of the District (i.e. Parish Precepts and Special Expenses) the appropriate Council Tax Base of the part (as shown in Appendix 2) is used. Accordingly, all Precepting Authorities will be informed of their appropriate Council Tax Base for 2013/2014 once the Council Tax Base has been determined.

5. **LEGAL IMPLICATIONS**

As contained within the body of the report.

6. **CORPORATE PLAN IMPLICATIONS**

None arising directly from this report.

7. **CONSULTATION**

None arising directly from this report.

8. **RISK IMPLICATIONS**

None arising directly from this report.

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None arising directly from this report.

10. **CORPORATE IMPLICATIONS**

None arising directly from this report.