

SETTING THE COUNCIL TAX BASE FOR 2014/15**1. Setting the Council Tax Base**

- 1.1 The Council Tax Base is the link between the Council's budget and the level of Council Tax. The tax base will be used to calculate the Council Tax in Sefton, once the Council's budget has been agreed. The Council is required to calculate the various Council Tax Bases and have them approved by the 31 January 2014.
- 1.2 The calculation of the Council Tax Base takes into account many factors such as the rate of new building and the trends in people living on their own (Sole Occupier Discount).
- 1.3 The tax base calculation assumes a collection rate of 96.5%, which reflects that fact that collection is proving challenging in the current economic climate and has deteriorated as a result of the requirement for council tax support claimants to pay at least 20% of their annual council tax liability.

2. Council Tax Base for Sefton Council in 2014/15

- 2.1 The new tax base for 2014/15 is 76,992.00 Band D equivalent dwellings for Sefton Metropolitan Borough Council, an increase of 475.8 in comparison with the tax base for 2013/14 that was 76,516.20. An analysis of the changes between the 2013/14 and 2014/15 tax base is provided in the table below:

Tax Base for Sefton Council	Band D Equivalents		
	2013/14	2014/15	Change
Dwellings on the Banding List	108,809.2	108,797.7	-11.5
Exemptions / Discounts etc			
Exempt Dwellings	-2,385.6	-2,611.6	-226.0
Disabled Persons Reductions	-143.7	-145.4	-1.7
Dwellings Subject to 25% Discount	-9,578.9	-9,581.6	-2.7
Dwellings Subject to 50% Discount	-907.7	-359.5	548.2
Dwellings Subject to 100% Discount	-215.2	-131.8	83.4
Net Additions / Deletions	51.7	241.8	190.1
MOD Properties	7.0	7.0	0
Premium			
Empty Homes Premium	308.6	221.9	-86.7
Council Tax Support Scheme (CTRS)			
Council Tax Support Scheme Discounts	-16,654.3	-16,654.3	0
Losses in Collection			
Collection Rate Adjustment	-2,774.9	-2,792.2	-17.3
Tax Base for Year	76,516.2	76,992.0	475.8

2.2 The main reason for the changes in the tax base are:

Dwellings on the banding List: A number of properties in the Housing Market Renewal Area in the possession of in the Adactus Housing Association were removed from the Banding List in the year.

Exempt Dwellings: There has been an increase in the number of unoccupied dwellings owned by charities, and dwellings left empty by a deceased person.

Dwellings Subject to 50% Discount: The reduction in 2014/15 reflects the proposed removal of the discount currently available on empty (and substantially unfurnished) properties from month two to month six.

Dwellings Subject to 100% Discount: The number of vacant dwellings undergoing major repair works or structural alterations has reduced in 2013.

Net Additions / Deletions: The 2013/14 estimate included a significant number of deletions (260 properties). Fewer deletions are expected in 2014/15 (28 properties).

Empty Homes Premium: A number of long-term empty properties have been brought back into use during 2013.

Council Tax Reduction Scheme: The estimated level of discounts remains unchanged in 2014/15. This reflects the uncertainty about future growth in working age claimants.

Losses in Collection: The assumed collection rate of 96.5% remains unchanged. The increase in provision for non-payment on CTRS accounts has been offset by a reduction in the amount needed to manage any prior year debt at risk.

3. Council Tax Base in Parish Areas for 2014/15

3.1 There are also new tax base figures for each parish area in 2014/15. The following table provides details of the new tax base for each parish along with a comparison with current year:

Tax Base for Parish Areas	Band D Equivalents		
	2013/14	2014/15	Change
Parish of Aintree Village	1,953.05	1,972.24	19.19
Parish of Formby	8,756.63	8,877.62	120.99
Parish of Hightown	832.29	839.36	7.07
Parish of Ince Blundell	158.05	157.78	-0.27
Parish of Little Altcar	262.31	261.79	-0.52
Parish of Lydiate	1,951.38	1,976.84	25.46
Parish of Maghull	6,256.29	6,335.30	79.01
Parish of Melling	942.90	953.97	11.07
Parish of Sefton	220.73	228.65	7.92
Parish of Thornton	725.13	735.83	10.70

3.2 The increase in tax bases in most parish areas in 2014/15 is largely due to a fall in council tax reduction scheme costs and the proposed removal of the discount on empty (and substantially unfurnished) properties from month two to month six.

4. Compensating Parish Areas for Loss of Council Tax Income

4.1 The tax base in Parish Areas was reduced in April 2013 as a result of the introduction of the local council tax support scheme. The Government have built funding into Sefton's Settlement Funding Assessment in order to provide Parish Areas with compensation for the loss of council tax income as a result of this change. How much, if any of this funding is to be passed on to Parish Council's has been left to Council's to decide in discussion with the parishes.

4.2 The Government made the following comments on the funding for parish councils in their response to the consultation on council tax base and funding for local precepting authorities:

Certainty of Funding for Parish and Town Councils

B8. As there is not a mechanism for providing funding through the business rates retention system directly to parish and town councils the Government is providing the funding attributable to them to the billing authority. To enable this funding to reduce the local precepting authority's council tax requirement, and so potentially offset some or all of the costs of offering support, the billing authority will need to pass funding down to the local precepting authority.

B9. To support considerations over funding, the Government has published provisional funding allocations, setting out how much funding might be attributable to the local precepting authorities, based on its share of council tax in the billing authority area.

B10. This figure is intended as a starting point: Precisely how much funding should be passed down will depend on a number of factors, including the design of the scheme and the number of claimants in the local precepting authority area.

B11. In line with the localism agenda there will not be a legislative duty to pass down funding. Billing and local precepting authorities should be able to come to agreement on arrangements for passing down the funding attributable to the local precepting authority, reflecting the factors outlined above, and other relevant local circumstances.

- 4.3 As part of the 2013/14 budget process it was agreed to pay the following amounts to each parish council in order to ensure that they were protected from the impact of the council tax reforms:

Parish Area	Grant £
Aintree Village	12,972
Formby	3,070
Hightown	246
Ince Blundell	311
Little Altcar	226
Lydiate	19,959
Maghull	77,638
Melling	2,470
Sefton	721
Thornton	505
	118,116

- 4.4 The total cost of £118,116 was built into the indicative budget for 2014/15 approved by Council on 28 February 2013. It is recommended that the same amount is paid to each of the Parish Council's in 2014/15 in order to provide stability of funding, with a review of this funding to be carried out as part of the 2015/16 budget process.