

# LOCALISATION OF COUNCIL TAX SUPPORT TAX BASE IMPLICATIONS FOR LOCAL COUNCILS

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# WORKING TOGETHER WITH LOCAL COUNCILS

- NFDC met with Town & Parish Councils on 23 August 2012 to raise general understanding about the localisation of council tax support i.e. Council Tax Benefit (100% funded) abolished
- Started to discuss potential funding (tax base) implications for local Councils
- Today's presentation will bring you up-to-date and ensure you have information required to complete your precepts for 2013/14!

# MAJOR CHANGES SINCE AUGUST 2012 (1)

- Four days after last meeting the Government revised proposals to exclude town & parish councils from funding local Council Tax Support reductions
- NFDC completes consultation on local Council Tax Reduction Scheme and proposed amendments having regard to feedback etc.
- Government offers voluntary transitional grant for one year only if Billing Authorities introduce local Council Reduction Schemes, whereby claimants required to pay no more than 8.5% council tax
- NFDC reviews Council Tax Discounts policy in line with more local flexibility

# MAJOR CHANGES SINCE AUGUST 2012 (2)

- In November 2012 the government reverts to original proposal and includes town & parish councils in the funding of local Council Tax Reductions
- NFDC notified Local Councils immediately that government had reverted to original proposal and that local tax bases would be affected by changes
- On 4 December 2012 NFDC met with nominated representatives from Local Association to discuss proposals regarding identifiable grant
- On 20 December 2012 councils start to receive details of Local Government Finance Settlement (including Identifiable grant)
- Grant subsumed and not separately Identifiable for future years

# MEETING WITH LOCAL ASSOCIATION NOMINATED REPRESENTATIVES

- Met with nominated representatives from Fawley, Hythe & Dibden, New Milton and Sopley Local Councils on 4 December 2012
- Confirmed NFDC grant would include a sum identifiable to Local Council taxes
- NFDC outlined proposal to pass on all identifiable grant and transitional grant for 2012/13 to Local Councils based on estimated Reduction Caseload (pro rata to reliefs) for the benefit of local council taxpayers!
- Representatives supportive of NFDC approach
- Raised questions regarding Collection Rates, Payment Profiles and Grant payments for future years

# LATEST POSITION

- NFDC will formally approve the local Council Tax Reduction Scheme on 28 January 2013
- NFDC will formally approve a revised Council Tax Discounts Policy on 28 January 2013
- NFDC will formally approve the Council Tax Bases for 2013/14 on 28 January 2013 - with estimated collection rate of 98.3% (previously 98.5%)
- All Local Councils must submit precepts to NFDC by 31 January 2013!
- In February 2013 NFDC will formally approve proposal to pay identifiable grant and one-off transitional grant in 2013/14 to Town & Parishes

# IMPLICATIONS FOR LOCAL COUNCILS

- Recommended 2013/14 Tax Bases for Local Councils as previously notified – they have not changed!
- Total Identifiable grant for 2013/14 slightly increased from £385,000 to £392,274
- Propose to pass on extra Identifiable grant for the benefit of local council tax payers – updated figures available today
- Total Transitional grant of £11,360 confirmed for 2013/14

# CALCULATING PRECEPTS

- Calculate your spending requirement
- Deduct the total grant that NFDC propose to pay to arrive at your actual precept for 2013/14
- NFDC propose to pay precepts and total grant together on normal payment dates



# LOCAL COUNCILS IN NEW FOREST DISTRICT - PRECEPTS, TAXBASES AND COUNCIL TAXES 2012/13

PARISH/TOWN	2012/13 PRECEPT £	2012/13 TAXBASE	2012/13 BAND D C TAX £
Ashurst & Colbury	25,750	926.2	27.80
Beaulieu	8,000	508.7	15.73
Boldre	19,562	1,059.1	18.47
Bramshaw	5,500	347.5	15.83
Bransgore	83,360	1,881.1	44.31
Breamore	4,000	182.8	21.88
Brockenhurst	58,445	1,846.5	31.65
Burley	13,700	791.0	17.32
Copythorne	14,700	1,247.1	11.79
Damerham	8,000	241.0	33.20
Denny Lodge	4,576	156.5	29.24
East Boldre	15,000	398.3	37.66
Ellingham, Harbridge & Ibsley	18,090	596.7	30.32
Exbury & Lepe	4,700	114.7	40.98
Fawley	473,980	4,942.1	95.91
Fordingbridge	182,200	2,398.4	75.97
Godshill	10,162	228.5	44.47
Hale	8,461	267.5	31.63
Hordle	96,588	2,473.8	39.04

# LOCAL COUNCILS IN NEW FOREST DISTRICT - PRECEPTS, TAXBASES AND COUNCIL TAXES 2012/13 (CONT.)

PARISH/TOWN	2012/13 PRECEPT £	2012/13 TAXBASE	2012/13 BAND D C TAX £
Hyde	7,000	512.6	13.66
Hythe & Dibden	571,907	7,854.2	72.82
Lymington & Pennington	675,040	7,299.7	92.48
Lyndhurst	62,281	1,410.2	44.16
Marchwood	206,396	2,146.0	96.18
Martin	5,009	193.6	25.87
Milford on Sea	90,992	2,763.9	32.92
Minstead	9,500	367.1	25.88
Netley Marsh	11,034	824.8	13.38
New Milton	514,744	11,054.0	46.57
Ringwood	404,560	5,526.1	73.21
Rockbourne	12,333	166.7	73.98
Sandleheath	5,014	283.1	17.71
Sopley	20,500	308.8	66.39
Sway	49,250	1,690.9	29.13
Totton & Eling	1,066,900	9,916.1	107.59
Whitsbury	2,150	98.7	21.78
Woodgreen	6,350	250.3	25.37
<b>Whole District</b>	<b>4,775,734</b>	<b>73,274.3</b>	<b>65.18</b>

# LOCAL COUNCILS IN NEW FOREST DISTRICT - GRANTS, PRECEPTS, TAXBASES AND COUNCIL TAXES 2013/14

PARISH/TOWN	IDENTIFIABLE GRANT £	TRANSITIONAL GRANT 2013/14 ONLY £	TOTAL GRANT 2013/14 £	PRECEPT 2013/14 £	TAXBASE 2013/14	BAND D COUNCIL TAX 2013/14 £
Ashurst & Colbury	834	24	858		897.6	
Beaulieu	251	7	259		512.7	
Boldre	905	26	931		1,025.3	
Bramshaw	235	7	242		336.8	
Bransgore	5,332	154	5,486		1,760.6	
Breamore	249	7	256		171.6	
Brockenhurst	1,858	54	1,912		1,820.1	
Burley	711	21	732		762.8	
Copythorne	608	18	625		1,185.3	
Damerham	580	17	597		223.5	
Denny Lodge	215	6	221		144.1	
East Boldre	953	28	980		375.0	
Ellingham, Harbridge & Ibsley	583	17	599		585.8	
Exbury & Lepe	345	10	355		109.2	
Fawley	47,578	1,378	48,956		4,386.4	
Fordingbridge	15,769	457	16,226		2,165.4	
Godshill	498	14	512		219.6	
Hale	357	10	368		255.2	
Hordle	5,789	168	5,957		2,324.9	

# LOCAL COUNCILS IN NEW FOREST DISTRICT - GRANTS, PRECEPTS, TAXBASES AND COUNCIL TAXES 2013/14 (CONT.)

PARISH/TOWN	IDENTIFIABLE GRANT £	TRANSITIONAL GRANT 2013/14 ONLY £	TOTAL GRANT 2013/14 £	PRECEPT 2013/14 £	TAXBASE 2013/14	BAND D COUNCIL TAX 2013/14 £
Hyde	70	2	72		510.3	
Hythe & Dibden	47,521	1,376	48,897		7,143.0	
Lymington & Pennington	56,200	1,628	57,828		6,718.7	
Lyndhurst	3,287	95	3,383		1,345.1	
Marchwood	10,705	310	11,015		2,034.5	
Martin	205	6	211		190.0	
Milford on Sea	3,231	94	3,325		2,714.9	
Minstead	323	9	332		357.0	
Netley Marsh	467	14	480		793.3	
New Milton	45,749	1,325	47,074		10,002.4	
Ringwood	39,206	1,135	40,342		4,927.7	
Rockbourne	365	11	376		162.1	
Sandleheath	162	5	166		271.9	
Sopley	1,574	46	1,619		280.9	
Sway	1,994	58	2,051		1,650.1	
Totton & Eling	97,150	2,813	99,963		8,995.5	
Whitsbury	111	3	115		98.0	
Woodgreen	302	9	311		245.4	
<b>Whole District</b>	<b>392,274</b>	<b>11,360</b>	<b>403,634</b>		<b>67,702.7</b>	

# EXAMPLE OF TOWN/PARISH COUNCIL WHERE NEGATIVE EFFECT OF TAXBASE CHANGE IS GREATER THAN GRANT TO BE RECEIVED

	2012/13	2013/14
Precept under old arrangements	400,000	400,000
Ajustment to spending requirement		-2,165
<b>NORMAL NET SPENDING REQUIREMENT</b>	<b>400,000</b>	<b>397,835</b>
Attributable Grant		-39,000
Transitional Grant ( one year only)		-1,000
<b>Precept under new arrangements</b>	<b>400,000</b>	<b>357,835</b>
Divide by taxbase	5,500	4,920
Band D Council Tax	72.73	72.73
<b>CASH TO BE RECEIVED FROM NFDC</b>		
Precept	400,000	357,835
Artributable Grant		39,000
Transitional Grant		1,000
	<b>400,000</b>	<b>397,835</b>

# COUNCIL TAX REFERENDUMS

- Principal authorities that raise their council tax in 2013-14 by 2%+ require a local referendum
- SofS does not intend to impose referendums for local councils in 2013-14
- SofS intends to revisit next year, having considered local councils restraint this year

# Future – Beyond 2013/14

- Tax base generally more volatile due to localisation of Reduction Scheme
- Tax bases are likely to increase in 2014/15 with Claimants paying 20% council tax
- Compensates for Transitional grant ending
- Expect to resume normal timescales for precepts next year
- Future of Identifiable Grant?

# FEEDBACK

- Comments?
- Questions?