

Meeting: EXECUTIVE

Agenda Item:



Portfolio Area: Resources

Date: 8 December 2021

COUNCIL TAX BASE 2022/23

KEY DECISION

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1. PURPOSE

- 1.1 To seek members approval of the Council Tax Base for 2022/23

2. RECOMMENDATIONS

- 2.1 In accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2022/23 will be 28,502.5 equivalent “Band D” properties, reduced to 28,003.7 equivalent “Band D” properties after making allowances for a 98.25% collection rate.
- 2.2 The 2022/23 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2022/23. The Executive approved the CTS scheme at its meeting on 20 October 2021 for recommendation to Council.

3. BACKGROUND

- 3.1 Under the provisions of the Local Government Finance Act 1992 as amended by legislation, local authorities are required to notify preceptors and levying bodies of their Council Tax Base for the forthcoming financial year. The notification must be made between the 1 December and the 31 January.
- 3.2 The Council has a statutory duty to make a resolution in respect of the Council Tax Base before the precepting and levying bodies are notified.

Executive

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Taxbase

4.1.1 The actual number of domestic dwellings in the Borough, shown in the Valuation Officers list on 13 September 2021 was 37,813, compared to 37,785 as at 14 September 2020, an increase of 28 properties.

4.1.2 For each of the Council Tax bands, the tax base figure is the sum of actual dwellings on the valuation list, adjusted for estimated, newly constructed dwellings, exemptions, disabled reductions and discounts, (including the Council Tax Reduction Scheme discounts), to arrive at the net number of chargeable dwellings for each band. The projections for 2022/23 include known construction numbers planned giving a total of 247.51 (pro rata), new homes for 2022/23 with the majority being band B properties. This includes 110 flats included as part of the Queensway North development.

4.1.3 This net figure is then multiplied by the relevant proportions for the particular band (e.g. Band A is 6/9 in relation to Band D) in order to convert it to the estimated number of equivalent "Band D" properties for each band.

4.1.4 The relevant proportion for each band are:

Band	Charge ratio	Valuation (at 1/1/91 prices)
A	6/9	Up to £40,000
B	7/9	Over £40,000 and up to £52,000
C	8/9	Over £52,000 and up to £68,000
D	9/9	Over £68,000 and up to £88,000
E	11/9	Over £88,000 and up to £120,000
F	13/9	Over £120,000 and up to £160,000
G	15/9	Over £160,000 and up to £320,000
H	18/9	Over £320,000

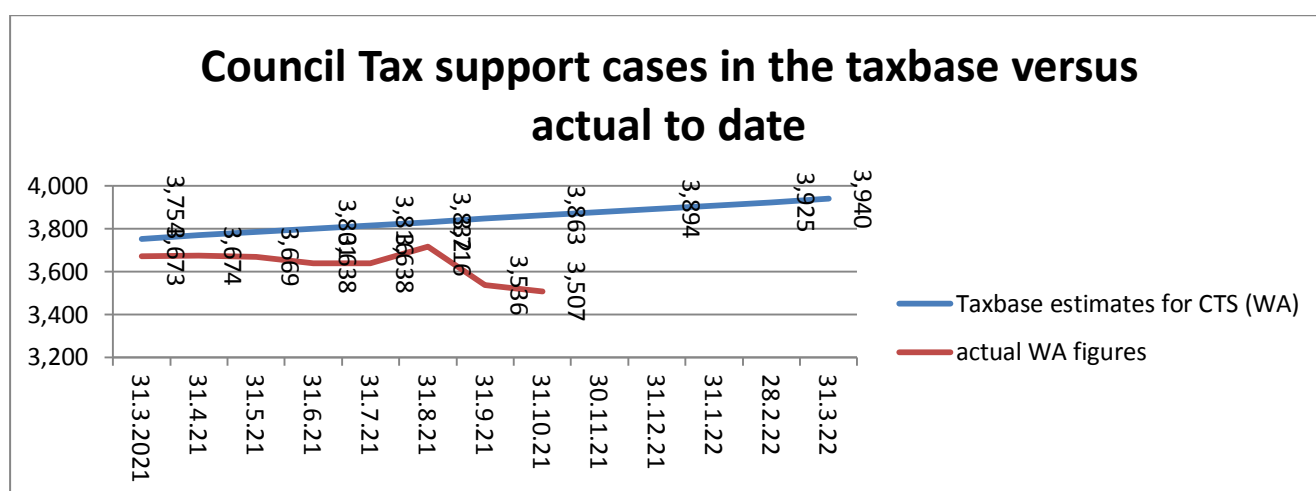
4.1.5 These "Band D" equivalents are aggregated to give the total number of the equivalent "Band D" dwellings for the authority as a whole. For Stevenage this is 28,502.5, which is less than the actual number of dwellings because the majority of dwellings in Stevenage are in Band C.

4.1.6 Stevenage Borough Council is the billing authority for all council tax in the Borough but does not keep the majority of council tax raised. The 2020/21 and 2021/22 amounts and percentage shares for the County Council, the Police and Crime Commissioner and Stevenage Council are shown in the chart below (based on

Band C).

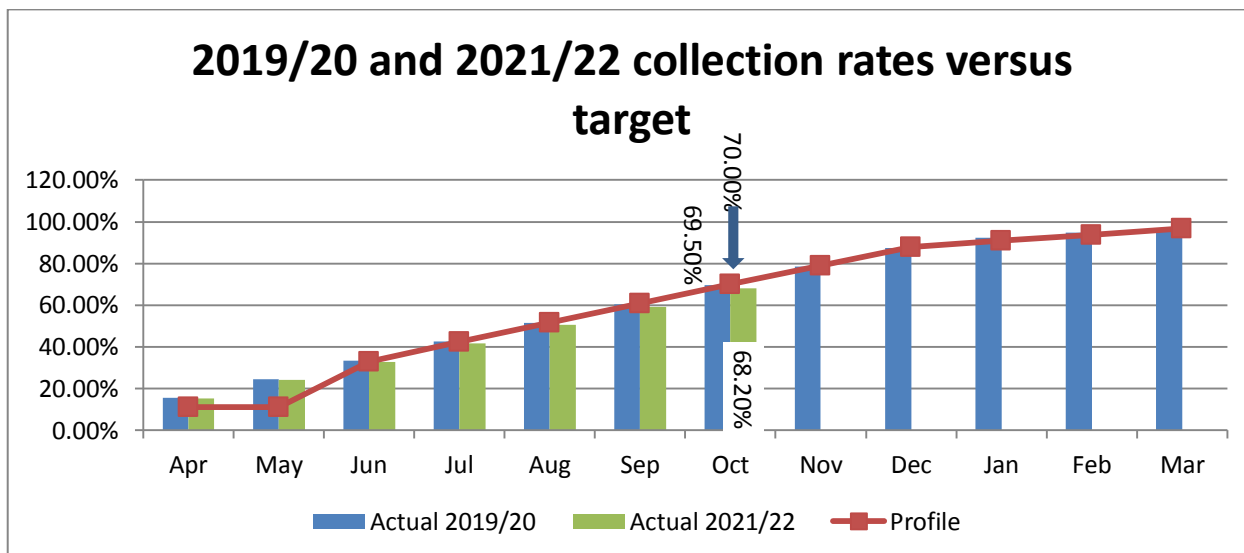
Authority	2020/21	2021/22	Charge Per day	Increase	Share
Hertfordshire County Council	£1,257.07	£1,307.22	£3.58	4.0%	77.2%
Stevenage Borough Council	£191.62	£196.06	£0.54	2.3%	11.6%
Police Crime Commissioner	£176.00	£189.33	£0.52	7.6%	11.2%
Total	£1,624.69	£1,692.61	£4.64	4.2%	100%

4.1.7 The 2022/23 Council Tax Base proposed is based on the current Council Tax Support Scheme liability of 8.5% and as agreed at the October 2021 Executive. The 2021/22 taxbase had assumed a projected increase in council tax support numbers as a result of COVID on the local economy. The chart below shows the 2021/22 tax base assumed CTS versus the actual and the increase projected has not materialised.



4.1.8 The cost of CTS to the taxbase for those working and pensionable age was estimated at £6,176,777 for 2022/23, however the County Council has the biggest cost burden for this, as they account for 77% of the tax base with SBC just under 12%. The average level of CTS in the 2022/23 taxbase is modelled as 5,630 versus 5,617 for working and pensionable age claimants as at the 1 October 2021. The numbers claiming CTS have since fallen from October to 5,515 as at 22 November 2021.

4.1.9 The proposed 2022/23 collection rate percentage remains unchanged at 98.25% as in 2021/22, reflecting sustainable long term recovery rates. The amount collected to 31 October was 68.2% (2019/20 69.5%, target 70.0%). Although the current in year collection rate is slightly lower than the target, a 0.8% under-recovery of council tax would equate to £422,486 for a full year, (SBC's share would be £48,938). This is not significant difference and there are other factors which influence cash collected, such as the level of properties in the taxbase and the level of discounts.



4.1.10 The Council Tax Base for 2022/23 after making allowances for a collection rate of 98.25% is 28,003.7 equivalent “Band D” properties. (The comparative figure for 2021/22 was 27,733.8).

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 The increase in the taxbase is included in the General Fund assumptions in the Making your Money Count December Executive report and will be included in the Draft 2022/23 Council Tax Setting and General Fund Report to the January Executive.

5.1.2 The increase in assumed property numbers and the discount assumptions including Council Tax Support is the equivalent to a total additional 269.90 equivalent Band D properties or £ 59,532 before any council tax increase is considered. The reason for the increased council tax income is shown in the table below, (this is before any council tax increase for 2022/23).

Increased income from 2022/23 taxbase compared to 2021/22 before any council tax increase			
	2021/22 Estimate £	2022/23 Estimate £	Increase / (decrease) £
Properties numbers	7,595,370	7,623,539	28,169
Council Tax Support Scheme	(747,637)	(713,470)	34,167
Changes to other discounts & Premium	(621,529)	(623,274)	(1,745)
Increase in bad debt 2%	(108,959)	(110,019)	(1,060)
Total	£ 6,117,245	£ 6,176,777	£ 59,532

5.2 Legal Implications Executive

5.2.1 The legal implications are in the body of the report.

5.3 Risk Implications

5.3.1 The assumptions made are reasonable at the current time but, if the level of anticipated growth in the 2022/23 Tax Base is not realised and/or the council tax support caseload increases, there could be an in year deficit on the Collection Fund.

5.4 Policy Implications

5.4.1 None

5.5 Equalities and Diversity Implications

5.5.1 There are no direct equality and diversity implications arising from the recommendations in this report.

5.6 Other Implications.

5.6.1 There are no other direct implications to report at this time.

BACKGROUND DOCUMENTS

BD1 – Council Tax Support Scheme

APPENDICES

Appendix A 2022/23 Council Tax Base

Appendix A

BAND

	Disabled	A	B	C	D	E	F	G	H	TOTALS
AS AT CTB1	0	1655	6693	21604	3303	3181	929	433	15	37813
ADD EXPECTED NEW PROPERTIES	0	39	116.79	48.79	33.65	7.62	1.66	0	0	247.51
EXEMPTIONS	0	-48	-132	-227	-24	-24	-7	-5	-4	-471
DISABLED RELIEF	0	-3	-10	-94	-12	-32	-4	-7	-2	-164
DISABLED RELIEF ADJ	3	10	94	12	32	4	7	2	0	164
DWELLINGS SUB-TOTAL	3	1653	6761.79	21343.79	3332.65	3136.62	926.66	423	9	37589.51
ASSUMED DISCOUNTS										
25% (SINGLE PERSON DISCOUNT)	1	1149.46	4089.13	6369.35	781.89	545.30	124.22	54	1	13,115.36
50% (EMPTY WORK-RELATED AND ALL PERSONS DISREGARDED)	0	1	7	16	0	4	5	7	5	45
10% Empty uninhabitable & Empty unfurnished	0									
Council Tax Support (Reduction Scheme)	0.92	350.77	1225.86	1991.96	191.03	50.63	10.91	4.54	0.00	3826.61
total discounts	1.92	1501.23	5321.99	8377.31	972.91	599.93	140.13	65.54	6.00	16986.97
TOTAL DWELLINGS charged at 100%	1.08	151.77	1439.80	12966.48	2359.74	2536.69	786.53	357.46	3.00	20602.54
Long term empty premium @ 50%	0.00	13	43	20	1	5	0	0	0	82.00
Value of discounted properties	0.75	862.60	3070.35	4785.01	586.41	410.98	95.67	44.00	3.25	9859.02
DWELLINGS AFTER DISCOUNTS	1.83	1020.87	4531.64	17761.49	2946.65	2950.17	882.19	401.46	6.25	30502.56
RATIO TO BAND D	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
NO OF BAND D EQUIVALENT	1.02	680.58	3524.61	15787.99	2946.65	3605.76	1274.28	669.10	12.50	28502.50
								TAXBASE		28502.5
								98.25%		28003.7