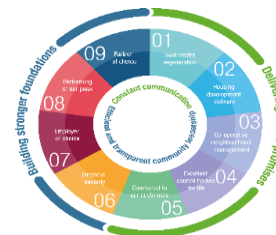


Meeting: EXECUTIVE



Portfolio Area: Resources

Date: 16 DECEMBER 2019

## COUNCIL TAX BASE 2020/21

### KEY DECISION

Author – Su Tarran Ext EHC 2075  
Contributors- Tim Greenwood Ext 2943  
Lead Officer – Clare Fletcher Ext 2933  
Contact Officer – Su Tarran Ext EHC 2075

#### 1. PURPOSE

- 1.1 To seek members approval of the Council Tax Base for 2020/21

#### 2. RECOMMENDATIONS

- 2.1 That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2020/21 shall be 28,275.6 equivalent “Band D” properties reduced to 27780.7 equivalent “Band D” properties after making allowances for a 98.25% collection rate.
- 2.2 That the 2020/21 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2020/21. The Executive approved the CTS scheme at its meeting on 20 November 2019 for recommendation to Council.

#### 3. BACKGROUND

- 3.1 Under the provisions of the Local Government Finance Act 1992 as amended by the 2012 Act, and the accompanying secondary 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.

#### 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, as shown in the Valuation Officer's list on 9 September 2019, was 37,627, compared to 37,272 as at 10 September 2018, an increase of 355 properties.

4.1.2 For each of the Council Tax bands, the tax base figure is then adjusted to take account of actual and 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.

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 28,275.6, which is less than the actual number of dwellings. This is because the majority of dwellings in Stevenage are in Band C.

4.1.6 The Council Tax Base for 2020/21 after making allowances for a collection rate of 98.25% is 27,780.7 equivalent "Band D" properties. (The comparative figure for 2019/20 was 27,329.9).

4.1.7 The proposed 2020/21 collection rate percentage remains at 98.25% in 2019/20, reflecting sustainable long term recover rates.

4.1.8 The Council Tax Base proposed is based on the current Council tax Support Scheme liability of 8.5%.

## 5 IMPLICATIONS

### 5.1 Financial Implications

- 5.1.1 The increase in the taxbase will be included in the draft 2020/21 Council Tax Setting and General Fund Report (to the January Executive) and remains unchanged from the projection in the Financial Security Report to the November Executive. The increase in assumed property numbers and the discount assumptions including Council Tax Support is the equivalent to a total additional 512.25 equivalent Band D properties or £107,295 before any council tax increase is considered. The reason for the increased council tax income is shown in the table below.

<b>Increased income from 2020/21 taxbase compared to 2019/20 before any council tax increase</b>			
	<b>2019/20 Estimate £</b>	<b>2020/21 Estimate £</b>	<b>Increase /(decrease) £</b>
Properties numbers	7,168,109	7,246,159	78,050
Council Tax Support Scheme	(735,247)	(705,223)	30,024
Changes to other discounts & Premium	(588,402)	(586,953)	1,449
Increase in bad debt (2%) assumptions	(101,967)	(104,195)	(2,228)
<b>Total</b>	<b>£ 5,742,493</b>	<b>£ 5,849,788</b>	<b>£ 107,295</b>

### 5.2 Legal Implications

- 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 2020/21 Tax Base is not realised and/or the council tax support caseload increases, an in year deficit on the Collection Fund could arise.

### 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 - 2020/21 Council Tax Base

