

Meeting: EXECUTIVE



Portfolio Area: Resources

Date: 20 January 2021

COUNCIL TAX BASE 2021/22

KEY DECISION

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1. PURPOSE

1.1 To seek Members' approval of the Council Tax Base for 2021/22.

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 2021/22 shall be 28,227.8 equivalent "Band D" properties reduced to 27733.8 equivalent "Band D" properties after making allowances for a 98.25% collection rate.

2.2 That the 2021/22 Council Tax Base be approved, subject to any changes made to the Council Tax Support Scheme (CTS) for 2021/22. The Executive approved the CTS scheme at its meeting on 6 October 2020 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 14 September 2020, was 37,785, compared to 37,627 as at 9 September 2019, an increase of 158 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 28,227.8, 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 2021/22 after making allowances for a collection rate of 98.25% is 27,733.8 equivalent "Band D" properties. (The comparative figure for 2020/21 was 27,780.7).

4.1.7 The proposed 2021/22 collection rate percentage remains at 98.25%, however this may need to be reviewed if COVID impacts further arrears in 2021/22. The

Hardship Fund for those on CTS has ameliorated some of this impact, however the projected bad debt amount has been increased for the 2020/21 outturn position.

- 4.1.8 The Council Tax Base proposed is based on the current Council Tax Support Scheme liability of 8.5%. However, the caseload levels for working aged claimants has been increased for 2021/22, reflecting the projected impact of COVID on the economy in 2021/22.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 The increase in the taxbase will be included in the draft 2021/22 Council Tax Setting and General Fund Report (to the January Executive) and remains unchanged from the projection in the Financial Security Report to the December Executive. The increase in assumed property numbers and the discount assumptions including Council Tax Support is the equivalent to a total reduction of 46.9 equivalent Band D properties or a reduction of £10,115 in council tax collectable, before any council tax increase is considered. The reason for the increased council tax income is shown in the table below.

Increased income from 2021/22 taxbase compared to 2020/21 before any council tax increase			
	2020/21 Estimate £	2021/22 Estimate £	Increase /(decrease) £
Properties numbers	7,418,220	7,423,194	4,974
Council Tax Support Scheme	(721,969)	(730,689)	(8,720)
Changes to other discounts & Premium	(600,890)	(607,440)	(6,549)
Reduction for bad debt assumptions	(106,669)	(106,489)	180
Total	£5,988,692	£5,978,576	(£10,115)

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 2021/22 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 Equalities and Diversity Implications

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

BACKGROUND DOCUMENTS

BD1 – Council Tax Support Scheme

APPENDICES

Appendix A - 2021/22 Council Tax Base

Appendix A BAND	Disabled	A	B	C	D	E	F	G	H	TOTALS
AS AT CTB1	0	1641	6682	21617	3298	3176	924	432	15	37785
ADD EXPECTED NEW PROPERTIES	0	27.45	68.6	15.66	6.66	0	5.66	0	0	124.03
EXEMPTIONS	0	-49	-152	-199	-21	-28	-11	-3	-5	-468
DISABLED RELIEF	0	-2	-8	-91	-11	-27	-5	-8	-2	-154
DISABLED RELIEF ADJ	2	8	91	11	27	5	8	2	0	154
DWELLINGS SUB-TOTAL	2	1625.45	6681.6	21353.66	3299.66	3126	921.66	423	8	37441.03
ASSUMED DISCOUNTS										
25% (SINGLE PERSON DISCOUNT)	1	1147.82	4049.15	6272.54	791.60	549.00	129.79	57	0	12,997.89
50% (EMPTY WORK-RELATED AND ALL PERSONS DISREGARDED)	0	1	7	14	0	4	5	7	5	43
Council Tax Support (Reduction Scheme)	0.49	366.83	1256.88	2117.83	197.08	52.06	12.44	3.59	0.00	4007.20
total discounts	1.49	1515.65	5313.03	8404.37	988.68	605.06	147.23	67.59	5.00	17048.09
TOTAL DWELLINGS charged at 100%	0.51	109.80	1368.57	12949.29	2310.98	2520.94	774.43	355.41	3.00	20392.94
Long term empty premium @ 50%	0.00	3	14	17	0	3	2	0	0	39.00
Value of discounted properties	0.75	861.37	3040.36	4711.41	593.70	413.75	99.84	46.25	2.50	9769.92
DWELLINGS AFTER DISCOUNTS	1.26	972.66	4415.93	17669.20	2904.68	2936.19	875.28	401.66	5.50	30182.36
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	0.70	648.44	3434.61	15705.95	2904.68	3588.68	1264.29	669.44	11.00	28227.79
								TAXBASE		28227.8
								98.25%		27733.8