

Meeting: EXECUTIVE



Portfolio Area: Resources, Transformation & ICT

Date: 7 December 2022

COUNCIL TAX BASE 2023/24

KEY DECISION

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1. PURPOSE

- 1.1 To seek Members' approval of the Council Tax Base for 2023/24.

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 2023/24 will be 28,654.5 equivalent "Band D" properties, reduced to 28,153.1 equivalent "Band D" properties after making allowances for a 98.25% collection rate.
- 2.2 That the 2023/24 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2023/24. The Executive approved the CTS scheme at its meeting on 12 October 2022 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.

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 12 September 2022 was 38,051, compared to 37,813 as at 13 September 2021, an increase of 238 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 2023/24 include known construction numbers planned giving a total of 212 (pro rata), new homes for 2023/24 with the majority being band B properties.

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:

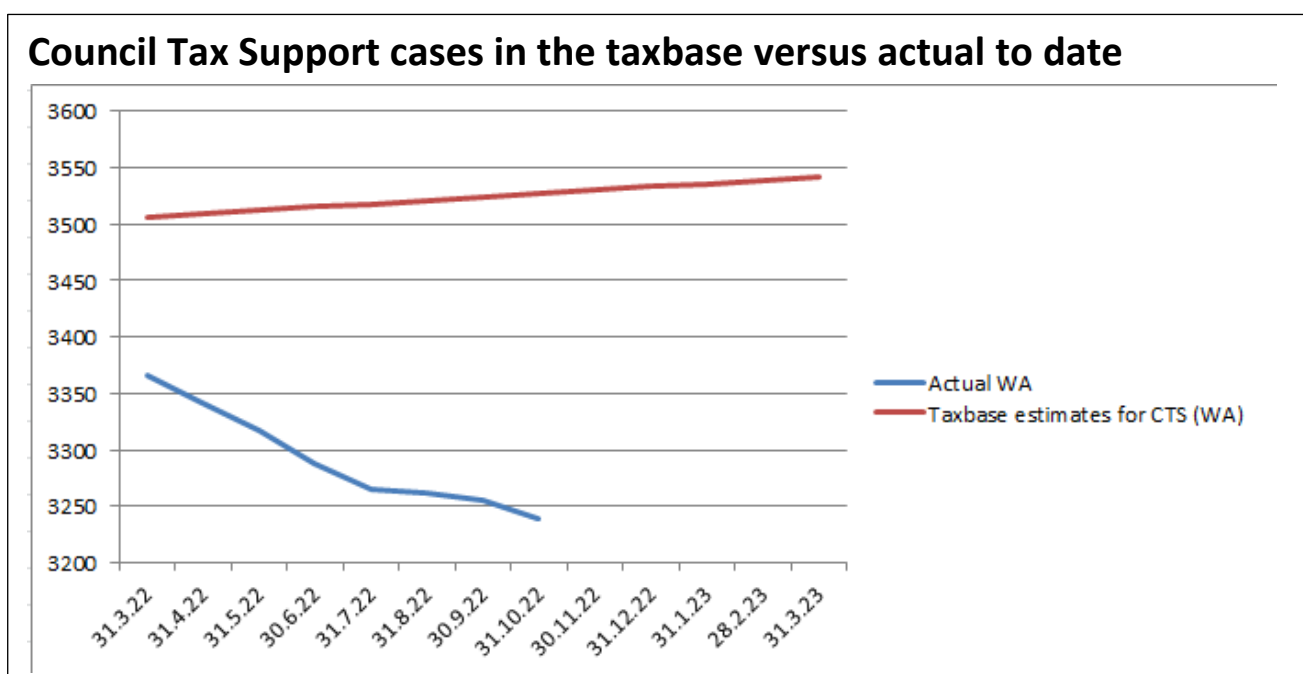
Band	Charge ratio	Valuation (at 1/1/91 prices)
A	6/9	Up to £40,000
B	7/9	Over £40,000 and up to £52,000
C	8/9	Over £52,000 and up to £68,000
D	9/9	Over £68,000 and up to £88,000
E	11/9	Over £88,000 and up to £120,000
F	13/9	Over £120,000 and up to £160,000
G	15/9	Over £160,000 and up to £320,000
H	18/9	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 28,654.5, 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 2021/22 and 2022/23 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 D).

Authority	2021/22	2022/23	Charge Per day	Increase	Share
Hertfordshire County Council	£1,470.63	£1,529.31	£4.19	3.99%	77.32%
Stevenage Borough Council	£220.57	£225.57	£0.62	2.27%	11.40%
Police Crime Commissioner	£213.00	£223.00	£0.61	4.69%	11.28%
Total	£1,904.20	£1,977.88	£5.42	3.87%	100%

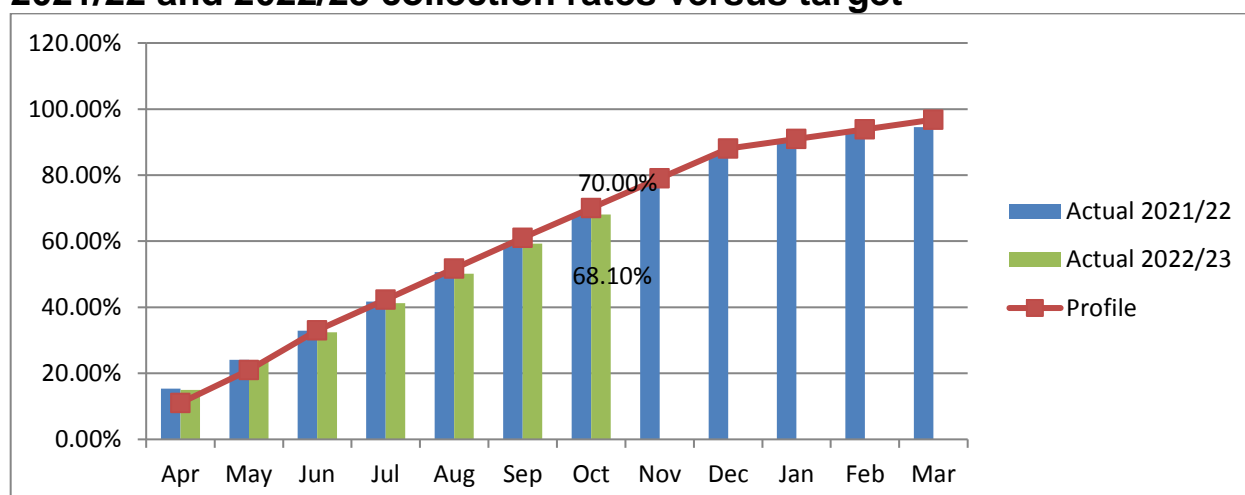
4.1.7 The 2023/24 Council Tax Base proposed is based on the current Council Tax Support Scheme liability of 8.5% and as agreed at the October 2022 Executive. The 2022/23 taxbase had assumed a projected increase in council tax support numbers as a result of COVID on the local economy. The chart below shows the 2022/23 tax base assumed CTS, versus the actual. And shows that 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 £6,261,425 for 2023/24, however the County Council has the biggest cost burden for this, as they account for 77.32% (2022/23) of the tax base with SBC at 11.4%. The average level of CTS in the 2023/24 taxbase is modelled as 5,382 versus 5,226 for working and pensionable age claimants as at the 1 October 2022. The numbers claiming CTS have since fallen from October to 5,204 as at 1 November 2022.

4.1.9 The proposed 2023/24 collection rate percentage remains unchanged at 98.25% as in 2022/23, reflecting sustainable long term recovery rates. The amount collected to 31 October was 68.1% (2021/22 68.2%, target 70.0%). Although the current in year collection rate is slightly lower than the target, a 0.9% under-recovery of council tax would equate to £498,491 for a full year (SBC's share would be £56,828.). This is not a 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.

2021/22 and 2022/23 collection rates versus target



4.1.10 The Council Tax Base for 2023/24, after making allowances for a collection rate of 98.25%, is 28,153.1 equivalent “Band D” properties. (The comparative figure for 2022/23 was 28,003.7).

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 November Executive report and will be included in the Draft 2023/24 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 152.76 equivalent Band D properties or £33,695 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 2023/24).

Increased income from 2023/24 taxbase compared to 2022/23 before any council tax increase			
	2022/23 Estimate £	2023/24 Estimate £	Increase /((decrease) £
Properties numbers	7,796,353	7,829,823	33,470
Council Tax Support Scheme	(729,643)	(714,093)	15,550
Changes to other discounts & Premium	(637,402)	(652,128)	(14,726)
Increase in bad debt 2%	(112,513)	(113,113)	(600)
Total	£ 6,316,795	£ 6,350,490	£ 33,695

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 2023/24 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 - 2023/24 Council Tax Base

Appendix A BAND	Disabled	A	B	C	D	E	F	G	H	TOTALS
AS AT CTB1	0	1697	6786	21639	3324	3214	944	432	15	38051
ADD EXPECTED NEW PROPERTIES	0	13.16	80.33	58.34	52.67	7.5	0	0	0	212
EXEMPTIONS	0	-66	-160	-228	-34	-23	-9	-4	-4	-528
DISABLED RELIEF	0	-3	-7	-89	-10	-32	-5	-7	-2	-155
DISABLED RELIEF ADJ	3	7	89	10	32	5	7	2	0	155
DWELLINGS SUB-TOTAL	3	1648.16	6788.33	21390.34	3364.67	3171.5	937	423	9	37735
ASSUMED DISCOUNTS 25% (SINGLE PERSON DISCOUNT)	2	1149.85	4159.66	6534.57	803.53	575.34	132.00	57	1	13,414.96
50% (EMPTY WORK-RELATED AND ALL PERSONS DISREGARDED)	0	2	8	16	0	4	5	7	5	47
Council Tax Support (Reduction Scheme)	1.68	333.90	1248.17	1919.26	186.04	46.09	10.78	4.46	0.00	3750.38
total discounts	3.68	1485.75	5415.84	8469.83	989.58	625.43	147.78	68.46	6.00	17212.34
TOTAL DWELLINGS charged at 100%	-0.68	162.41	1372.49	12920.51	2375.09	2546.07	789.22	354.54	3.00	20522.66
Long term empty premium @ 50%	0.00	19	39	28	0	7	0	0	0	93.00
Value of discounted properties	1.50	863.39	3123.75	4908.93	602.65	433.50	101.50	46.25	3.25	10084.72
DWELLINGS AFTER DISCOUNTS	0.82	1035.30	4515.74	17843.44	2977.74	2983.08	890.72	400.79	6.25	30653.88
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	0.46	690.20	3512.24	15860.84	2977.74	3645.98	1286.59	667.98	12.50	28654.53
								TAXBASE		28654.5
								98.25%		28153.1