

Council Tax Base for Tax Setting Purposes 2022 to 2023

Report number:	CAB/WS/21/050	
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Decisions Plan: The decision made as a result of this report will usually be published within 48 hours. This item will be referred to Council for a final decision and is, therefore, not subject to call-in. This item is included on the Decisions Plan.

Wards impacted: All wards

Recommendation: It is recommended that, subject to the approval of Council:

- 1.** The tax base for 2022 to 2023, for the whole of West Suffolk is 57,406.34 equivalent band D dwellings, and for each of the predecessor areas is: Forest Heath 19,455.81 and St Edmundsbury 37,950.53, as detailed in paragraph 2.6 of Report number CAB/WS/21/050.

- 2. The tax base for 2022 to 2023 for the different parts of its area, as defined by parish or special expense area boundaries, are as shown in Appendix 3 of Report number CAB/WS/21/050.**

- 3. The Director (Resources and Property) is given delegated responsibility to make changes to the tax base figures as a result of any government announcements pertaining to local council tax support or any data updates relating to significant claimant increases as detailed in paragraph 2.5 of Report number CAB/WS/21/050.**

1. Context to this report

- 1.1 The council tax base is the total taxable value at a point in time of all the domestic properties in the council's area. It is a yearly calculation and represents the estimated number of chargeable dwellings after allowing for exemptions and discounts, projected changes in the property base and after applying an estimated collection rate.
- 1.2 The total taxable value referred to above is arrived at by each dwelling being placed in one of eight valuation bands (A – H) by the Valuation Office, with a statutorily set fraction then being applied in order to convert it to a 'band D equivalent' figure. These band D equivalent numbers are then aggregated at a district wide level and are also sub totalled for parishes. This calculation has to be done by the council responsible for sending the bills out and collecting the council tax ('the billing authority'). In two tier areas, district councils fulfil this function.
- 1.3 The council tax base is used in the calculation of council tax. Each authority divides the total council tax income it needs to meet its budget requirement by the tax base of its area to arrive at its band D council tax. The same fractions referred to in the previous paragraph are then used to work out the council tax for properties in each of the other bands.
- 1.4 Orders have been laid allowing West Suffolk to harmonise the council tax of the former Forest Heath and St Edmundsbury areas over a period not exceeding 7 years. Because of this, it is also necessary to calculate tax base figures for the areas formerly covered by Forest Heath District Council and St Edmundsbury Borough Council (the 'predecessor areas').
- 1.5 The calculation of the tax base for council tax setting purposes consists of three stages:
1. Calculation of the tax base for central government purposes as at 4 October 2021 (MHCLG return – CTB).
 2. Calculation of the tax base for council tax setting purposes by adjusting the band D equivalents to reflect changes in the tax base as a result of any technical/Local Council Tax Support scheme changes, projected changes in the property base and predicted collection rates.
 3. Analysis of band D equivalents over each of the parish areas in order to determine individual parish council tax bases.

2. **Proposals within this report**

Calculation of the tax base for central government purposes

- 2.1 The tax base return 'CTB' is used by central government for data collection and the calculation of New Homes Bonus (see Appendix 1). This return shows the analysis of properties across the eight valuation bands for the following classifications of liability:
- properties attracting 100 per cent liability
 - properties attracting a premium, such as second homes
 - properties with an entitlement to a discount of 25, 50 or 100 per cent, such as disabled relief
 - properties that are exempt, such as those occupied by United States air force personnel
 - local council tax reduction scheme discounts.
- 2.2 The figures used to make the above calculations are derived from the Valuation List as deposited on 13 September 2021, and as amended to reflect any errors or omissions so far detected in reviewing that list. They are based on the data held on the council tax system at a set point in time – 4 October 2021.
- 2.3 The taxbase for this purpose, which is calculated at a West Suffolk level, is 58,261.4.

Calculation of the tax base for tax setting purposes

- 2.4 The band D properties figure as at 4 October 2021 of 58,261.4, as quoted in line 33 of the CTB form, has been updated as at 31 October 2021 to allow for:
1. Any changes to the Local Council Tax Support (LCTS) scheme. The tax base has been set using the current 2021 to 2022 data as, although consultations on some changes are currently taking place, these are about streamlining the customer experience and will not have any significant impact on the LCTS numbers.
 2. Any technical changes to discounts and exemptions such as empty properties and second homes. There are no plans to change the current scheme for 2022 to 2023.
 3. Potential growth in the property base during 2022 to 2023 taken from an average of the housing delivery numbers for those sites within the local plan and those that have planning permission, adjusted for an assumed level of discounts/exemptions.
 4. An allowance for losses in collection, which assumes that the overall collection rate for 2022 to 2023 will be 98%, with the exception of LCTS recipients where the collection rate is assumed to be 83%.
 5. The forecast impact of COVID-19 on LCTS scheme numbers (see paragraph 2.5 below).

2.5 The key assumptions as outlined above have been set at a time when the impact of COVID-19 recovery, and the end of the furlough scheme, are difficult to predict. At this stage, very early data (taken from the first two weeks of October) is not indicating any spike in LCTS numbers and, therefore, minimal allowance has been made for any increase in LCTS claimant numbers.

2.6 The resulting tax base figures for council tax collection purposes, expressed in terms of the number of band D equivalent properties, have been calculated as shown in the following table:

	2021 to 2022	2022 to 2023	Increase
Former Forest Heath area	18,572.56	19,455.81	883.25
Former St Edmundsbury area	36,767.41	37,950.53	1,183.12
West Suffolk	55,339.97	57,406.34	2,066.37

2.7 The table at Appendix 2 shows the actual number of dwellings in each tax band based on the current valuations which are discounted to 1 April 1991 and the percentage in each band. There has been no national revaluation since that date. It also shows the spread of the tax base across the bands totalling the tax base for central government purposes (CTB) and the tax base for council tax setting purposes after all of the adjustments have been made.

Individual town and parish council tax bases and precept payment arrangements

2.8 The tax base figure for West Suffolk outlined in paragraph 2.6, is analysed further across individual town and parish councils to form their tax base figures for the purpose of budget setting and determining the parish band D tax levels in each of those areas. Town and parish tax base figures are set out in Appendix 3.

2.9 In line with the delegated authority to administer the council's financial affairs as outlined in the constitution, the arrangements for the scheduling of the precept payments for 2022 to 2023, will be determined by the Director (Resources and Property) (Chief Financial Officer).

2.10 The payments schedule for all parish and town councils in West Suffolk will be full payment of the precepts by 30 April 2022.

3. Alternative options that have been considered

- 3.1 The Local Authorities (Calculation of Council Tax Base) Regulations 1992 set out the requirements for the calculation of the council tax base for tax setting purposes. Therefore, there are no alternative options.

4. Consultation and engagement undertaken

- 4.1 The tax base figures provided within Appendix 3 of this report have been communicated to town and parish councils so that they can start to factor these into their budget setting process.

5. Risks associated with the proposals

- 5.1 The council's ability to collect council tax income in the current economic climate has been factored into the tax base by applying two separate collection rates in the calculation as detailed in paragraph 2.4.

6. Implications arising from the proposals

- 6.1 All implications arising from the proposals are covered within the report and its associated appendices.

7. Appendices referenced in this report

- 7.1 Appendix 1 – West Suffolk CTB return made to DLUHC as at 4 October 2021
- 7.2 Appendix 2 – Distribution of West Suffolk properties and tax base across valuation bands
- 7.3 Appendix 3 – 2022 to 2023 council tax base for each town and parish council area within West Suffolk

8. Background documents associated with this report

- 8.1 None