

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Approval of Council Tax Base 2020/21

Meeting/Date: Chairman of Corporate Governance Committee and Section 151 Officer – 2 December 2019

Executive Portfolio: Councillor J Gray – Executive Councillor for Resources

Report by: Revenue and Benefits Manager

Ward(s) affected: All

Executive Summary:

A Tax Base calculation for the whole of Huntingdonshire District Council's (HDC) area for the year 2020/21 has been undertaken, starting with data held at the 'relevant day' (30 November in the preceding financial year).

Details of new properties likely to be completed and banded for Council Tax purposes during the period December 2019 and March 2021 have been used in this calculation. Estimates have been made regarding the level of occupation of these new properties and the likely level of discounts that they may attract; in particular it assumes that the discounts are awarded in line with the HDC Discretionary Council Tax Policy:

- Second homes or uninhabitable dwellings will be 0%;
- Properties unoccupied and substantially unfurnished will be 0%;
- Properties unoccupied for more than two years will be charged an additional empty homes premium of 50% and for those empty for more than five years, the premium will be 100%.

In addition, the expected level of Council Tax Support entitlement has been taken into account.

The resulting calculation shows a Band D equivalent Tax Base of 63,233 properties before provision for losses on collection.

The Tax Base calculation has to be reduced by a percentage which, in the District Council's opinion, represents the likely losses on collection during the financial year. This bad debt provision has once again been assumed to be 0.6%.

On applying this reduction to the calculation, a net Tax Base figure of 62,854 is achieved which is an increase of 1.76% on 2019/20.

Recommendation:

The Head of Resources (after consultation with the Chairman of the Corporate Governance Committee) is

RECOMMENDED

to approve a Council Tax Base for 2020/21 of 62,854.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set the Council Tax Base for 2020/21 as required by Section 33 of the Local Government Finance Act 1992, and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

2. BACKGROUND

- 2.1 The Local Government Finance Act 1992 requires the Billing Authority (Huntingdonshire District Council) to calculate and approve a tax base for Council Tax purposes and to notify major preceptors by 31 January in respect of the following financial year.

3. KEY IMPACTS

- 3.1 All major precepting authorities will be advised of the Tax Base figure by the 31 January deadline (including a split by Flood Defence Area for the County Council); similarly, all local councils will receive confirmation of their precept request, their respective Tax Base and their consequent Band D tax level for 2020/21.
- 3.2 The Tax Base figure is then used to calculate the council tax charge for each major precepting authority (and for local councils, i.e. Towns and Parishes). Appendix 1 shows how the total Council Tax Base for 2020/21 is apportioned across the Town and Parish Councils.

4. TIMETABLE FOR IMPLEMENTATION

- 4.1 The regulations stipulate that the Tax Base must be calculated between 1 December and 31 January in the preceding financial year.

5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 5.1 The Tax Base must be calculated in accordance with regulations, but it is fundamental in establishing the level of Council Tax charged to local residents, and consequently has budgetary implications impacting the priorities and objectives of the Council.

6. LEGAL IMPLICATIONS

- 6.1 There is no legal implication other than for the timely decision to be formally determined in accordance with the regulations and for the major preceptors to be informed. The Head of Resources (Section 151 Officer) has, under the Council's scheme of delegation, consulted with the Chairman of the Corporate Governance Committee on the calculation of the Tax Base.

7. RESOURCE IMPLICATIONS

7.1 Following evaluation and modelling (see Appendix 2), the 2020/21 Tax Base is recommended to be set at 62,854. When this is compared to the:

- i. current 2019/20 base (61,749), the 2020/21 base of 62,854 represents an increase of 1.76% (between 2018/19 and 2019/20 the tax base increase was 1.25%).
- ii. 2020/21 base (62,521) that is included in the currently approved MTFS, this equates to an increase of 333 properties; a gain of £47.3k in Council Tax income (based on the currently approved Band D Council Tax of £142.16).

8. REASONS FOR THE RECOMMENDED DECISION

8.1 The recommendation is based on information at 1 December 2019 and uses estimates contained in working papers held within the Revenues and Benefits Section.

9. LIST OF APPENDICES

Appendix 1 – 2020/21 Tax Base calculation by Town/Parish Council area
Appendix 2 – Methodology and factors considered in calculating the Tax Base

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Appendix 1: 2020/21 Tax Base Calculation by Town/Parish Council area:

Based on the information contained within this report, it is recommended that pursuant to the Revenues and Benefits Manager's report and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amounts calculated by the Huntingdonshire District Council as their (net) tax base for the whole District for the year 2020/21 be 62,854 and shall be as listed below for each Town or Parish of the District:

Abbotsley	260
Abbots Ripton	133
Alconbury	574
Alconbury Weston	292
Alwalton	119
Barham & Woolley	30
Bluntisham	746
Brampton	2253
Brington & Molesworth	173
Broughton	95
Buckden (incorporating Diddington)	1196
Buckworth	54
Bury	639
Bythorn & Keyston	150
Catworth	161
Chesterton	62
Colne	372
Conington	74
Covington	45
Denton & Caldecote	27
Earith	599
Easton	76
Ellington	242
Elton	289
Farcet	528
Fenstanton	1273
Folksworth & Washingley	348
Glatton	133
Godmanchester	2759
Grafham	235
Great & Little Gidding	125
Great Gransden	446
Great Paxton	365
Great Staughton	326
Haddon	23
Hail Weston	245
Hamerton & Steeple Gidding	53
Hemingford Abbots	332
Hemingford Grey	1282
Hilton	455
Holme	248
Holywell-cum-Needingworth	985
Houghton & Wyton	782

Huntingdon	7643
Kimbolton & Stonely	598
Kings Ripton	84
Leighton Bromswold	79
Little Paxton	1552
Morborne	12
Offord Cluny & Offord D'Arcy	530
Old Hurst	99
Old Weston	102
Perry	268
Pidley-cum-Fenton	174
Ramsey	2902
St Ives	6010
St Neots	11074
Sawtry	1936
Sibson-cum-Stibbington	231
Somersham	1407
Southoe & Midloe	157
Spaldwick	247
Stilton	776
Stow Longa	69
The Stukeleys	864
Tilbrook	124
Toseland	38
Upton & Coppingford	89
Upwood & The Raveleys	434
Warboys	1525
Waresley-cum-Tetworth	144
Water Newton	41
Winwick	46
Wistow	226
Woodhurst	153
Woodwalton	83
Wyton-on-the-Hill	429
Yaxley	2951
Yelling	153
	62854

Appendix 2: Methodology and factors considered in calculating the Tax Base

- Between September and November, the majority of housing developments have been visited by Council officers to either serve a Completion Notice where the property could reasonably be expected to be completed within three months, or to confirm with developers a programme of completions during the period up to March 2021.
- Repeating the feedback from the last few years, developers have indicated that Brexit is continues to delay their plans in progressing work on proposed sites in case there is a negative effect on house prices and this in turn has led to a slowdown in house sales. In some cases, they have applied for outline planning permission but are reticent to commit to progressing further, or they are not committing to completion dates on developments already underway.
- A report from the Ministry of Housing, Communities and Local Government supports this as a national trend. New build dwelling starts during the first quarter of 2019/20 was down by 8% on the same period in the previous year.
- Reference has been made to the Local Plan to forecast growth across all of the towns and parishes.
- Growth across the district is concentrated in Huntingdon, Godmanchester, Alconbury Weald, Brampton and St Neots. However, there are also elements of growth, to varying degrees, in the majority of parishes and towns across the district.
- For the purpose of calculating the Tax Base, the most important factors are forecasting the month that properties will be completed and the valuation band the properties will fall into. There is a continuing trend for new developments to consist of houses rather than flats and as houses fall into higher bands this has a positive impact on the Tax Base.
- We are required to make certain assumptions as to the level of exemptions and discounts (including 25% for single person occupancy and Council Tax Support).
- The bad debt provision has been reviewed but will be maintained at 0.6% on the basis that collection rates remain consistent as do the number of write off's.
- Taking into account all of these factors, it is forecast that the annual growth for 2020/21 is 1.76% which is slightly higher than last year.