

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Delegated Approval of Council Tax Base 2021/22

Meeting/Date: Chairman of Corporate Governance Committee and Section 151 Officer – 8 December 2020

Executive Portfolio: Councillor J A Gray – Executive Councillor for Finance and Resources

Report by: Revenues & 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 2021/22 has been undertaken with data held at the relevant date (30 November in the preceding financial year).

The calculation has taken account of the number of new properties likely to be completed and banded for Council Tax purposes during the period December 2020 and March 2022 and the anticipated level of occupation. In addition, the predicted level of discounts and premiums, including those within the HDC Discretionary Council Tax Policy, have been applied as these have an impact on the Tax Base figure.

Covid-19 has had an inevitable impact on the factors that are used to calculate the Tax Base.

Due to the impact of Covid-19, it is estimated that the Council Tax Support (CTS) caseload will increase by 1.5% in 2021/22. An increase in CTS expenditure (treated as a Council Tax discount) reduces the Council Tax Base.

The resulting calculation equates to a Band D equivalent Tax Base of 63,736 properties before provision for losses on collection.

The Tax Base is reduced by a percentage which, in HDC's opinion, represents the likely losses on collection. This bad debt provision has been assumed to be 0.6% as in previous years.

On applying this reduction to the calculation, a net Tax Base figure of 63,355 is achieved which is an increase of 0.8% on 2020/21.

Recommendation:

The Chair of the Corporate Governance Committee and the Section 151 Officer are

RECOMMENDED

to approve a Council Tax Base for 2021/22 of 63,355.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set the Council Tax Base for 2021/22 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 / RISKS

- 3.1 The on-going impact of Covid-19 on issues that affect the calculation of the Tax Base means that there is an element of uncertainty in the final Council Tax Base figure. It has been calculated on events that, based on research and knowledge, are likely to happen during 2021/22, i.e. a slowdown in new build completions and an increase in Council Tax Support claims, but cannot account for other, as yet, unknown events or implications relating to Covid-19.
- 3.2 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, i.e. Towns and Parishes, will receive confirmation of their precept request, their respective Tax Base and their consequent Band D tax level for 2021/22.
- 3.3 The Tax Base figure is then used to calculate the Council Tax charge for each major precepting authority and also for local councils. Appendix 1 shows how the total Council Tax Base for 2021/22 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 HDC.

6. LEGAL IMPLICATIONS

- 6.1 There is no legal implication other than that for the timely decision to be formally determined in accordance with the regulations and for the major preceptors to be informed.

7. RESOURCE IMPLICATIONS

- 7.1 Following evaluation and modelling (see Appendix 2), the 2021/22 Tax Base is recommended to be set at 63,355. When this is compared to the:
- i. current 2020/21 Tax Base (62,854), the 2021/22 Base of 63,355 represents an increase of 0.8%.
 - ii. 2021/22 Base of 63,978 that is included in the approved MTFS, this equates to a decrease of 623 properties, a reduction of £91k in Council Tax income (based on the current Band D Council Tax of £145.86).

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 The recommendation is based on information at 1 December 2020 and uses estimates contained in working papers held within the Revenues and Benefits Section.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – 2021/22 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: 2021/22 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 2021/22 be 63,355 and shall be as listed below for each Town or Parish of the District:

Abbotsley	264
Abbots Ripton	132
Alconbury	578
Alconbury Weston	297
Alwalton	122
Barham & Woolley	30
Bluntisham	753
Brampton	2356
Brington & Molesworth	179
Broughton	95
Buckden (incorporating Diddington)	1219
Buckworth	53
Bury	648
Bythorn & Keyston	153
Catworth	163
Chesterton	67
Colne	379
Conington	76
Covington	46
Denton & Caldecote	30
Earith	605
Easton	77
Ellington	237
Elton	288
Farcet	534
Fenstanton	1313
Folksworth & Washingley	348
Glatton	134
Godmanchester	2820
Grafham	239
Great & Little Gidding	123
Great Gransden	473
Great Paxton	366
Great Staughton	330
Haddon	21
Hail Weston	249
Hamerton & Steeple Gidding	51
Hemingford Abbots	327
Hemingford Grey	1282
Hilton	450
Holme	250
Holywell-cum-Needingworth	996
Houghton & Wyton	784

Huntingdon	7625
Kimbolton & Stonely	593
Kings Ripton	84
Leighton Bromswold	78
Little Paxton	1538
Morborne	12
Offord Cluny & Offord D'Arcy	542
Old Hurst	100
Old Weston	105
Perry	267
Pidley-cum-Fenton	183
Ramsey	2972
St Ives	6007
St Neots	11084
Sawtry	1939
Sibson-cum-Stibbington	230
Somersham	1403
Southoe & Midloe	159
Spaldwick	249
Stilton	768
Stow Longa	74
The Stukeleys	900
Tilbrook	126
Toseland	39
Upton & Coppingford	90
Upwood & The Raveleys	441
Warboys	1575
Waresley-cum-Tetworth	142
Water Newton	38
Winwick	50
Wistow	231
Woodhurst	152
Woodwalton	84
Wyton-on-the-Hill	437
Yaxley	2949
Yelling	152
	63355

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

- Visits have been made to the majority of housing developments within the District to determine, in conjunction with the developers, how many properties are likely to be completed during the period used to calculate the Tax Base (December 2020 to March 2022).
- Developers advised that they continue to have concerns over the effect that Brexit may have on sales markets and of course Covid-19 has had an inevitable impact on building progress. A number of sites are delaying starting build work or are only developing a few plots.
- There are some pockets of fairly significant growth across the District, mainly concentrated in Brampton, Alconbury Weald, Fenstanton, Ramsey and Warboys. And there are also elements of growth, to varying degrees, in the majority of towns and parishes 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 bands that the properties will fall into. As in previous years, the trend continues for new developments to consist of houses rather than flats. As houses fall into higher bands this has a positive impact on the Tax Base.
- Assumptions have been made as to the level of exemptions and discounts that will be applied, e.g. Single Person Discounts attract a 25% reduction in liability.
- Council Tax Support (CTS) is a means tested benefit that is treated as a discount for Council Tax purposes. As a result of Covid-19, the caseload has steadily increased during 2020/21 and although it is difficult to forecast whether it will continue at this rate into the future, officers estimate that it will increase by a further 1.5% next year. An increase in CTS expenditure has a negative effect on the Tax Base. This has had a significant effect on the Tax Base calculation.
- The bad debt provision has been reviewed but will be maintained at 0.6%. It is anticipated that, although it will take longer to collect, the overall Council Tax collection rate will broadly come out in line with current performance. This is because the methods of recovery that can be used to collect Council Tax debt are wide ranging and different approaches are taken depending on the taxpayer's individual circumstances.