

**HUNTINGDONSHIRE DISTRICT COUNCIL**

<b>Title:</b>	Delegated Approval of Council Tax Base 2017/18
<b>Meeting:</b>	Approval by Head of Resources (Section 151 Officer) after consultation with Chairman of Corporate Governance Committee
<b>Executive Portfolio:</b>	Executive Member for Strategic Resources
<b>Report by:</b>	Local Taxation Manager
<b>Ward(s) affected:</b>	All

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**Executive Summary:**

A tax base calculation for the whole of the District Council's area has been undertaken, starting with Tax Base data held at the "relevant day" (30 November in the preceding financial year):

- Added to this information are details of new properties likely to be completed and banded for Council Tax purposes during the period December 2016 to March 2018.
- Estimates have been made regarding the possible level of occupation of these new properties and the likely discounts that they may attract, and in particular it assumes that the discount awarded is as per the existing council Discretionary Council Tax Policy:
  - "Second homes" or "uninhabitable dwellings" will be 0%,
  - Properties unoccupied and substantially unfurnished will be 100% for up to one month and 0% thereafter;
  - Properties left unoccupied for more than two years will be charged the additional "Empty Homes Premium" of 50%.
  - Expected levels of Council Tax Support have also led to a reduction in the Tax Base
- The resulting calculation shows a Band D equivalent tax base of 60,473 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 been once again assumed to be 0.6%. On applying the reduction to this calculation, a net tax base figure of 60,111 is achieved

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

**RECOMMENDED**

**To approve a Tax Base for 2017/18 of 60,111**

## **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to set the Council Tax Base for 2017/18 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 a confirmation of their precept request, their respective Tax Base, and their consequent Band D tax level for 2017/18.
- 3.2 The Tax Base figure is then used to calculate the council tax charge for each major preceding authority (and for local councils i.e. Towns and Parishes). The total Council Tax Base of 2017/18 is 60,111 and by Parish/Town Council is shown in **Appendix 1**.

## **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 and is not directly related to these, but is absolutely fundamental in establishing the level of council tax charged to local residents, and consequently has vital budgetary implications.

## **6. CONSULTATION**

- 6.1 There is no need for consultation as the Tax Base is estimated in accordance with the requirements stipulated in Regulations.

## **7. LEGAL IMPLICATIONS**

- 7.1 There is no legal implication other than for the timely decision to be formally determined in accordance with the Regulations, and the major preceptors to be informed accordingly. 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 this Tax Base calculation.

## **8. RESOURCE IMPLICATIONS**

8.1 Following extensive evaluation and modelling (see **Appendix 2**) the 2017/18 base, as noted earlier in this report, is to be set at 60,111. When this is compared to the:

- i. current 2016/17 base (59,358), the 2017/18 base of 60,111 represents an increase of 1.27%. It is anticipated that this will be the 'annual' increase that will be included in the MTFs (2018/19 to 2021/22) that will be approved by Council in February 2017.
- ii. 2017/18 base (60,426) that is included in the currently approved MTFs, this equates to a reduction of 315 properties; a loss of £42k in Council Tax income (based on the currently approved Band D Council Tax of £133.18).

## **9. OTHER IMPLICATIONS**

9.1 The Tax Base is used to calculate the council tax charge(s) for all major precepting authorities and local councils.

## **10. REASONS FOR THE RECOMMENDED DECISIONS**

10.1 The recommendation is based on relevant information at 30 November, and using estimates contained in working papers within the Local Taxation Section.

## **11. LIST OF APPENDICES INCLUDED**

- Appendix 1 - 2017/18 Tax Base Calculation by Town/Parish Council area
- Appendix 2 – Methodology and influencing factors in the “growth” of the Tax Base

## **BACKGROUND PAPERS**

- Working Papers and Spreadsheets held in the Local Taxation Section
- The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012

## **CONTACT OFFICER:**

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## Appendix 1: 2017/18 Tax Base Calculation by Town/Parish Council area:

Based on the information contained within this report, it is recommended that pursuant to the Local Taxation 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 2017/18 be 60,111 and shall be as listed below for each Town or Parish of the District:

Abbotsley	252
Abbots Ripton	133
Alconbury	562
Alconbury Weston	285
Alwalton	119
Barham & Woolley	28
Bluntisham	738
Brampton	1830
Brington & Molesworth	162
Broughton	90
Buckden (incorporating Diddington)	1168
Buckworth	50
Bury	615
Bythorn & Keyston	144
Catworth	153
Chesterton	58
Colne	355
Conington	66
Covington	45
Denton & Caldecote	27
Earith	587
Easton	76
Ellington	238
Elton	288
Farcet	524
Fenstanton	1161
Folksworth & Washingley	353
Glatton	132
Godmanchester	2421
Grafham	237
Great & Little Gidding	122
Great Gransden	451
Great Paxton	365
Great Staughton	324
Haddon	25
Hail Weston	249
Hamerton & Steeple Gidding	48
Hemingford Abbots	335
Hemingford Grey	1278
Hilton	453
Holme	225
Holywell-cum-Needingworth	972
Houghton & Wyton	792
Huntingdon	7335
Kimbolton & Stonely	590
Kings Ripton	81
Leighton Bromswold	81

Little Paxton	1555
Morborne	10
Offord Cluny & Offord D'Arcy	502
Old Hurst	99
Old Weston	90
Perry	261
Pidley-cum-Fenton	162
Ramsey	2785
St Ives	5859
St Neots	10908
Sawtry	1809
Sibson-cum-Stibbington	224
Somersham	1357
Southoe & Midloe	152
Spaldwick	245
Stilton	773
Stow Longa	67
The Stukeleys	442
Tilbrook	120
Toseland	39
Upton & Coppingford	82
Upwood & The Raveleys	422
Warboys	1368
Waresley-cum-Tetworth	144
Water Newton	45
Winwick	42
Wistow	220
Woodhurst	157
Woodwalton	81
Wyton-on-the-Hill	418
Yaxley	2898
Yelling	152
	<b><u>60,111</u></b>

## Appendix 2: Methodology and Influencing factors in the “Growth” of Tax Base

- During October and November all housing developments (whether wholesale commercial undertakings, private build or infill housing) have been visited by the Local Taxation property inspector, and either Council Tax “completion notices” have been served on those properties that *be reasonably be expected to be completed within three months* (as provided for by Section 17 of the Local Government Finance Act 1992), or discussions have taken place with the developers to confirm a programme of completions over the coming months (up to March 2018).
- A comprehensive exercise has also been conducted “in-house” using planning applications for those developments yet to start, and using estimated completions from the Local Plan, additional “growth” has been forecasted in the individual towns and parishes concerned. However, for the purposes of calculating the Tax Base the most important factors are forecasting the exact month that the properties are completed and occupied, plus the estimated valuation bands of the different types of properties, as this has a major bearing on the amount of the tax raised and consequently the Tax Base itself..
- The Local Plan shows that from planning records the number of completions is estimated to “peak” in 2018/19, but again for the calculation of the Tax Base the important factor is when exactly the majority of those properties are built and occupied (with month by month projections), as the earlier in the financial year that the owners become liable to pay council tax then the more tax is raised (influencing the increase in Tax Base)
- We are also required within the regulations to make certain “assumptions” as to the level of exemptions and discounts (including the most common of 25% single occupancy and Council Tax Support for those taxpayers on low income). Over recent years with more developments being of a social/private ownership mix the average valuation band has reduced, but with smaller domestic units there can be more of a prevalence of single occupancy discount etc.
- The forecasted annual “growth” for 2017/18 is 1.27% compared to the peak of 1.76% in 2016/17, but is still substantially higher than the *lows* of the “noughties” (e.g. 0.39% in 2006/07 and 0.30% in 2009/10 following a high of 1.70% in 2004/05). It is also reasonable, if not to be expected, given that the total number of all estimated property completions in the Local Plan (ignoring actual completion dates, valuation bands, discount assumptions, and bad debt provision etc) shows an increase in domestic properties in the district of 1.6%.
- It must also be borne in mind that owing to there being no revaluation of properties for council tax properties since 1 April 1993 (using an antecedent date of 1 April 1991) any successful appeals against valuations can be backdated up to 23 years leading to substantial refunds of £000’s which also have a detrimental effect on the Tax Base.
- This pattern of “peaks and troughs” can be seen as a natural cycle of developments, rather than a straight line of continuous growth; as one major development comes to an end and the next is about to begin. As an example of this “Loves Farm” (Phase 1) at St Neots is all but completed, whereas the new Godmanchester housing development is largely still at the “infrastructure stage” with major work being observed but not the number of dwellings being completed at this time. Likewise discussions with developers to gain local intelligence for Brampton suggest that no properties will be completed until July 2017 followed by a projection of 5 new builds monthly thereafter.
- In this objective and methodical process of calculating the overall Tax Base for the district council we also derive the individual tax bases for all the local (Town/Parish) Councils who precept upon the billing authority (HDC), and which in turn determines the level of tax for all local council taxpayers.

