

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Delegated Approval of Council Tax Base 2018/19
Meeting/Date:	Approval by Head of Resources (Section 151 Officer) after consultation with Chairman of Corporate Governance Committee
Executive Portfolio:	Executive Member for Strategic Resources
Report by:	Revenues and Benefits Manager
Wards affected:	All

Executive Summary:

A Tax Base calculation for the whole of Huntingdonshire District Council's (HDC) area has been undertaken, starting with 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 2017 to March 2019.

Estimates have been made regarding the possible level of occupation of these new properties and the likely discounts that they may attract; in particular it assumes that the discount awarded is in line with the HDC 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 unoccupied for more than two years will be charged an additional empty homes premium of 50%

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

The resulting calculation shows a Band D equivalent Tax Base of 61,343 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 this reduction to the calculation, a net Tax Base figure of 60,984 is achieved (an increase of 1.45% over 2017/18).

Recommendation(s):

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

RECOMMENDED

to approve a Council Tax Base for 2018/19 of 60,984.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set the Council Tax Base for 2018/19 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 2018/19.
- 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 2018/19 is 60,984 and by Parish/Town Council is shown in Appendix 1. This represents an increase of 1.45% over 2017/18.

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. 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 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.

7. RESOURCE IMPLICATIONS

- 7.1 Following evaluation and modelling (see Appendix 2) the 2018/19 base is recommended to be set at 60,984. When this is compared to the:
- i. current 2017/18 base (60,111), the 2018/19 base of 60,984 represents an increase of 1.45% (between 2016/17 and 2017/18 the tax base increase was 1.3%).
 - ii. 2018/19 base (60,675) that is included in the currently approved MTFs, this equates to an increase of 309 properties; a gain of £42k in Council Tax income (based on the currently approved Band D Council Tax of £135.84).

8. OTHER IMPLICATIONS

- 8.1 The Tax Base is used to calculate the council tax charge for all major precepting authorities and local councils.

9. REASONS FOR THE RECOMMENDED DECISIONS

- 9.1 The recommendation is based on relevant information at 1 December and uses estimates contained in working papers within the Revenues Section.

10. LIST OF APPENDICES INCLUDED

Appendix 1 - 2017/18 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: 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 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 2018/19 be 60,984 and shall be as listed below for each Town or Parish of the District:

Abbotsley	258
Abbots Ripton	130
Alconbury	558
Alconbury Weston	286
Alwalton	117
Barham & Woolley	29
Bluntisham	736
Brampton	1911
Brington & Molesworth	158
Broughton	90
Buckden (incorporating Diddington)	1173
Buckworth	50
Bury	621
Bythorn & Keyston	149
Catworth	151
Chesterton	61
Colne	369
Conington	70
Covington	44
Denton & Caldecote	27
Earith	589
Easton	78
Ellington	235
Elton	290
Farcet	519
Fenstanton	1198
Folksworth & Washingley	353
Glatton	130
Godmanchester	2530
Grafham	237
Great & Little Gidding	126
Great Gransden	449
Great Paxton	368
Great Staughton	322
Haddon	25
Hail Weston	246
Hamerton & Steeple Gidding	50
Hemingford Abbots	332
Hemingford Grey	1274
Hilton	450
Holme	235

Holywell-cum-Needingworth	973
Houghton & Wyton	793
Huntingdon	7387
Kimbolton & Stonely	591
Kings Ripton	83
Leighton Bromswold	79
Little Paxton	1557
Morborne	10
Offord Cluny & Offord D'Arcy	505
Old Hurst	104
Old Weston	96
Perry	271
Pidley-cum-Fenton	165
Ramsey	2822
St Ives	5920
St Neots	10963
Sawtry	1871
Sibson-cum-Stibbington	229
Somersham	1377
Southoe & Midloe	154
Spaldwick	243
Stilton	773
Stow Longa	70
The Stukeleys	615
Tilbrook	124
Toseland	39
Upton & Coppingford	87
Upwood & The Raveleys	429
Warboys	1428
Waresley-cum-Tetworth	145
Water Newton	44
Winwick	46
Wistow	225
Woodhurst	157
Woodwalton	84
Wyton-on-the-Hill	420
Yaxley	2930
Yelling	151
	60984

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

- Between September and November, all housing developments were visited by the Council's Revenues Inspector to either serve a Completion Notice where the property could reasonably be expected to be completed within three months, or to confirm with the developers a programme of completions during the period up to March 2019.
- An exercise has also been carried out reviewing planning applications for developments yet to start and estimated completions from the Local Plan to forecast growth across the towns and parishes.
- Currently, the growth across the district is concentrated in three specific areas – Brampton, Godmanchester and The Stukeleys (Alconbury Weald). Outside of these developments, there is little evidence of any significant growth until late 2018/19, when developments in other areas start to come on line.
- 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. Analysis indicates that the majority of completions are projected to be towards the end of the next financial year and can only be included in the Tax Base from the date of completion. However, the previous trend for many new builds to be blocks of flats resulting in a higher number of Band A properties has now been reversed with recent developments comprising more houses which fall into higher Bands which 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 was reviewed but has been maintained at 0.6% on the basis that collection rates remain consistent as do the number of write offs.
- Having used all of these factors, it is forecast that the annual growth for 2018/19 is 1.45% which is comparable to recent years.
- Using this methodology allows us to calculate the individual Tax Base for the district council and each of the town and parish councils.