

**HUNTINGDONSHIRE DISTRICT COUNCIL**

<b>Title/Subject Matter:</b>	Delegated Approval of Council Tax Base 2019/20
<b>Meeting/Date:</b>	Approval by Head of Resources (Section 151 Officer) after consultation with Chairman of Corporate Governance Committee – 3 December 2018
<b>Executive Portfolio:</b>	Councillor J Gray – Executive Councillor for Strategic Resources
<b>Report by:</b>	Revenues and Benefits Manager
<b>Wards affected:</b>	All

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**Executive Summary:**

A Tax Base calculation for the whole of Huntingdonshire District Council's (HDC) area for the year 2019/20 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 2018 and March 2020 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 HDC discretionary Council Tax provisions:

- 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.

The resulting calculation shows a Band D equivalent Tax Base of 62,117 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 61,749 is achieved which is an increase of 1.25% on 2018/19.

**Recommendation:**

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

**RECOMMENDED**

to approve a Council Tax Base for 2019/20 of 61,749.

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

- 1.1 The purpose of this report is to set the Council Tax Base for 2019/20 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 2019/20.
- 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 2019/20 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 and is not directly related to these, but it is fundamental in establishing the level of Council Tax charged to local residents, and consequently has 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 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 2019/20 Tax Base is recommended to be set at 61,749. When this is compared to the:

i. current 2018/19 base (60,984), the 2019/20 base of 61,749 represents an increase of 1.25% (between 2017/18 and 2018/19 the tax base increase was 1.4%).

ii. 2019/20 base (61,795) that is included in the currently approved MTFS, this equates to a decrease of 46 properties; a loss of £6k in Council Tax income (based on the currently approved Band D Council Tax of £138.56).

- 7.2 As the 2019/20 budget process progresses, Members may be minded to approve changes to the Council's current discretionary Council Tax provisions. At this time the implications have not been evaluated in detail, but it is anticipated that the impact would have a beneficial effect on the Tax Base.

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

- 8.1 The recommendation is based on relevant information at 1 December 2018 and uses estimates contained in working papers held within the Revenues and Benefits Section.

## **9. LIST OF APPENDICES INCLUDED**

Appendix 1 – 2019/20 Tax Base calculation by Town/Parish Council area

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

## **CONTACT OFFICER**

Amanda Burns / Revenues and Benefits Manager

Tel No: 01480 388122

Email: [amanda.burns@huntingdonshire.gov.uk](mailto:amanda.burns@huntingdonshire.gov.uk)

## Appendix 1: 2019/20 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 2019/20 be 61,749 and shall be as listed below for each Town or Parish of the District:

Abbotsley	261
Abbots Ripton	136
Alconbury	561
Alconbury Weston	292
Alwalton	115
Barham & Woolley	30
Bluntisham	735
Brampton	2075
Brington & Molesworth	167
Broughton	92
Buckden (incorporating Diddington)	1176
Buckworth	53
Bury	628
Bythorn & Keyston	145
Catworth	152
Chesterton	60
Colne	362
Conington	72
Covington	45
Denton & Caldecote	26
Earith	586
Easton	82
Ellington	237
Elton	288
Farcet	527
Fenstanton	1229
Folksworth & Washingley	350
Glatton	131
Godmanchester	2661
Grafham	238
Great & Little Gidding	127
Great Gransden	449
Great Paxton	366
Great Staughton	328
Haddon	24
Hail Weston	247
Hamerton & Steeple Gidding	51
Hemingford Abbots	330
Hemingford Grey	1280
Hilton	455
Holme	237
Holywell-cum-Needingworth	979
Houghton & Wyton	777

Huntingdon	7510
Kimbolton & Stonely	597
Kings Ripton	84
Leighton Bromswold	79
Little Paxton	1553
Morborne	11
Offord Cluny & Offord D'Arcy	534
Old Hurst	101
Old Weston	98
Perry	268
Pidley-cum-Fenton	172
Ramsey	2843
St Ives	5985
St Neots	10980
Sawtry	1879
Sibson-cum-Stibbington	225
Somersham	1397
Southoe & Midloe	154
Spaldwick	251
Stilton	773
Stow Longa	70
The Stukeleys	654
Tilbrook	123
Toseland	38
Upton & Coppingford	84
Upwood & The Raveleys	433
Warboys	1470
Waresley-cum-Tetworth	143
Water Newton	45
Winwick	46
Wistow	227
Woodhurst	157
Woodwalton	82
Wyton-on-the-Hill	422
Yaxley	2947
Yelling	152
	<b>61749</b>

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

- Between September and November, all housing developments have been 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 developers a programme of completions during the period up to March 2020.
- Developers have indicated that Brexit is delaying their plans to progress work on proposed sites in case there is a negative effect on house prices and this 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 2018/19 was down by 4% on 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 Godmanchester, Alconbury Weald and Brampton. Although we are aware of other proposed sites, e.g. Wintringham Park in St Neots, they are currently only at outline planning permission stage and could be affected by Brexit.
- 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. 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 2019/20 is 1.25% which is slightly lower than last year.