

RUSHMOOR BOROUGH COUNCIL RECORD OF EXECUTIVE DECISION



Decision taken by ~~individual Cabinet Member~~/Officer (delete as appropriate)

(All sections must be completed (mark "N/A" as applicable))

DECISION MAKER *(Name and designation)*

David Stanley, Head of Financial Services and S151 Officer

DECISION AND THE REASON(S) FOR IT

Council Tax –Tax Base Calculation 2022/23
Statutory Requirement
Report Attached

DATE DECISION TAKEN

17th February 2022

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

(Those examined by officers and generated by consultation, etc)

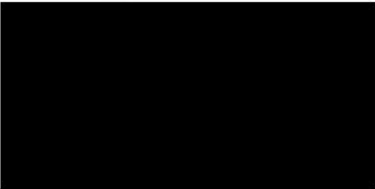
N/A

ANY CONFLICTS OF INTERESTS DECLARED

(conflict of interests of any executive member who is consulted by the officer which relates to the decision. A note of dispensation should be attached).

N/A

Signed



(Cabinet Member Consultee where applicable)

Designation: Leader of the Council

17th February 2022

REPORT NO. FIN2215

KEY DECISION? YES/NO

COUNCIL TAX BASE CALCULATION 2021/22

SUMMARY AND RECOMMENDATIONS:

SUMMARY

Rushmoor Borough Council is required by statute to approve the Council Tax Base figure for 2022/23 by 31 January 2022. The Council Tax Base Figure is an integral part of the calculations for setting the level of Council Tax. The Tax Base figure is the number of chargeable properties adjusted for certain factors such as single persons' discounts, various exemptions, and empty homes premium charge.

The Executive Head of Financial Services and Section 151 Officer, in consultation with the Leader of the Council, has delegated powers to agree the estimated Council Tax Base for the relevant year.

RECOMMENDATIONS

This report declares that the amount calculated by Rushmoor Borough Council as its tax base for the year 2022/23 shall be 32,793.39.

The Leader of the Council is recommended to approve that the 2022/23 Tax Base figure shall be 32,793.39.

1. INTRODUCTION

1.1 In setting the level of Council Tax, three calculations are mandatory:

- The setting of the budget by Hampshire County Council, the Police and Crime Commissioner for Hampshire, Hampshire Fire and Rescue Authority and Rushmoor Borough Council,
- The calculation of the tax base of the Borough, and
- The budget setting of the Collection Fund

1.2 This report sets out the proposed tax base calculation for the Rushmoor area for 2022/23.

- 1.4 This is a key decision, as the tax base figure will ultimately contribute towards setting the Council Tax payable for the financial year 2022/23, which will generate income for the Council in the region of £7.1m and contribute to the provision of services across the Borough.

2. PRINCIPLES

- 2.1 The Council Tax Base for the area is based on the number of properties in each band, adjusted for:

- New properties and demolitions
- Exempt properties
- Anticipated band changes as a result of appeals / errors
- One-band reductions for disabled adaptations
- Discounts for one adult households
- Discounts for properties with no liable adults
- Discounts for empty properties and those undergoing major repairs
- Additional levies for long-term empty properties
- Discounts as a result of awards of Council Tax Support
- Family Annexe Reductions

- 2.2 The result of this calculation is then multiplied by the factor for that band to give the Band D equivalent, and finally adjusted for losses on collection.

3. CALCULATION

- 3.1 The detailed calculation of Band D equivalent is shown in the attached Appendix 1. Explanations of the lines are set out below.

- 3.2 Line 1 shows the number of properties in each Band as notified by the Valuation Office Agency (VOA) on 13th September 2021.

- 3.3 Line 2 is an estimate of the full year equivalent of new property completions; it is made up of 917 properties, which takes into account building developments already under way in the Borough.

- 3.4 Line 3 is set aside for properties that have been recently demolished or are about to be demolished, but not yet removed from the VOA's list. There are no known properties being demolished between now and the end of the financial year 2023.

- 3.5 Exempt dwellings are shown on Line 4. Most of these are Army properties where Council Tax is not charged directly to the individual occupant. These are added back in at Line 19, which is explained in paragraph 3.14 below. Other exemptions include properties that have been left empty as a result of the occupant moving into care and those currently in the hands of executors. This information has been taken directly from Council Tax records as at 4th October 2021.

3.6 The VOA has advised that he is currently up to date in administering down banding appeals. He has no pending appeals that he is aware of. In the past year, there has been 10 successful appeals for down banding but only 1 increase in banding. This compares with activity in the previous six years as follows:

- 10 down bandings in 2020
- 17 in 2019
- 15 in 2018
- 21 in 2017
- 33 in 2016
- 70 in 2015

It is prudent to allow for a level of activity in the coming year at a point between the levels of 2015 and 2020 activity.

This results in the following adjustments between Bands as shown in Line 5.

- Band F - 3
- Band E - 4
- Band D - 9
- Band C - 14
- Band B + 18
- Band A + 12

3.7 Band reductions for disabled relief are shown in Line 6. This information has been taken directly from the current Council Tax records as at 4th October 2021.

3.8 An estimate for the cost of the Council Tax Support Scheme for 2022/23 is shown on Line 8. This shows the estimated costs of the scheme at a band-by-band level equated to a Band D equivalent value. The estimate takes into account the need to provide maximum support for qualifying pensioners and assumes that allowances within the Scheme will uprate in line with other Government welfare allowances.

3.9 Discounts for one (25%) and no adult (50%) households, based on the Council Tax records at 4th October 2021, are shown in Lines 9 and 10. Whilst Line 11 shows the number of properties receiving discount at 4th October 2021 whilst undergoing major repairs or are in the early days of being unoccupied. These figures are then added together in Line 12.

3.10 The Council Tax (Empty Dwellings) Act 2018 allows local authorities to impose an Empty Homes Premium Charge. Properties that have been empty for two years or more are subject to a premium charge of 100%. With effect from 1 April 2020, properties that have been empty for in excess of 5 years, will be subject to a 200% premium charge and from 1 April 21, properties that have been empty in excess of 10 years will be subject to a 300% premium charge.

- 3.11 Line 13 shows there are 48 properties subject to a 100% premium charge, line 14 shows there are 23 properties subject to a 200% Premium Charge and line 15 shows there are 13 properties subject to a 300% Premium Charge.
- 3.12 Line 16 shows the effect on the tax base because of reductions awarded through the Family Annexe discount scheme.
- 3.13 The total for each band (Line 18) is then arrived at by adding Lines 7, 13, 14, and 15 and then subtracting Lines 8, 12 and 16. Line 17 is then multiplied by the following factors to give Band D equivalents (Line 18):
- | | |
|---------|------|
| Below A | 5/9 |
| A | 6/9 |
| B | 7/9 |
| C | 8/9 |
| D | 1 |
| E | 11/9 |
| F | 13/9 |
| G | 15/9 |
| H | 18/9 |
- 3.14 The Army pays a contribution in lieu of Council Tax. This is calculated by agreement on the number of properties but then adjusted for occupancy discounts, using the Army's own confidential information.
- 3.15 Line 19 is therefore the Band D equivalent of my estimate of the Army's contribution in Lieu.
- 3.16 This then results in a total Band D equivalent of £33,462.55 (Line 20). This must then be adjusted for losses on collection.
- 3.17 The provision for losses has been set at 2% for the last 7 years. This has represented a slightly more prudent line than in years prior to this, when 1.5% had been allowed.
- 3.18 The increase in provision has been a response to the additional risk created by the additional revenue collection burden caused by reductions in awards of Council Tax Support for working age customers and the effects of Covid-19 on the Council's ability to collect the tax.
- 3.19 Council Tax has also increased nationally around the country. This is a combination of the new Adult Social Care precept and other precept authorities increasing their Council Tax element by the maximum amount they are allowed to. This results in the overall Council Tax increasing year by year above the rate of inflation, ultimately making the Council Tax more difficult to collect.
- 3.20 The provision for losses stands up against the in-year collection rate, which stands at 97.9.0% in pre covid years.

3.21 This results in a net tax base of 32,793.29, an increase from 32,309.09 last year. The increase is attributable to a number of factors, but the main contributors are:

- New properties being built and properties currently under construction.
- An Increase in the amount payable on the Empty Homes Premium Charge.

4. FINANCIAL IMPLICATIONS

4.1 The net tax base figure directly influences the level of Council Tax levied and therefore the resources available to this authority. This will be dealt with as part of the Tax setting that will be considered by Council on 24th February 2022.

5. LEGAL IMPLICATIONS

5.1 The tax base calculations for a particular financial year must comply with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, and must be determined by no later than 31st January in the preceding financial year. These regulations have been made under the Local Government Finance Act 1992, as amended.

6. CONCLUSION

6.1 In conclusion, David Clifford, Leader of the Council is asked to agree a tax base figure for the financial year 2022/23 of £32,793.29.

BACKGROUND DOCUMENTS:

Local Government Finance Act 1992

Local Authorities (Calculation of Tax Base)(England) Regulations 2012

Council Tax (Empty Dwellings) Act 2018

CONTACT DETAILS:

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Council Taxbase Calculation - APPEN

Line		Below A	Band A	Band B	Band C	Band D					
Dwellings											
1	Number on Valuation List as at 13th September 2021		1,501	9,001	16,243	8,942					
2	ADD expected new properties & changes since 13th September 21		5	242	367	249					
3	LESS deletions not yet actioned		0	0	0	0					
4	LESS exempt properties		57	235	1145	958					
5	Valuation appeals		12	18	-14	-9					
6	Disabled relief	2	24	56	-22	-30					
7	Dwellings sub-total	<u>2</u>	<u>1485</u>	<u>9082</u>	<u>15429</u>	<u>8194</u>					
Cost of Council Tax Support											
8	Estimate of effect of CTS	<u>0.75</u>	<u>402.37</u>	<u>1653.21</u>	<u>1063.77</u>	<u>234.41</u>					
Discounts											
9	One adult households	0.25	867	216.75	4565	1141.25	4523	1130.75	1746	436.5	710
10	No qualifying adults 0	0	0	0	11	5.5	7	3.5	3	1.5	8
11	Unoccupied or Major Repairs 0	0	14	3.5	61	15.25	62	15.5	21	5.25	10
12	Discounts sub-total	<u>0.25</u>	<u>220.25</u>	<u>1162</u>	<u>1149.75</u>	<u>443.25</u>					
Additional Empty Property Charges Due											
13	Empty for more than 2 years 0		11	11	17	17	15	15	1	1	3
14	Empty for more than 5 years		1	2	19	38	1	2	1	2	0
15	Empty for more than 10 years		0	0	13	39	3	9	0	0	0
16	Family Annex Discount					0		0		0	
17	Total For Band	1.00	875.38	6360.79	13241.48	7519.34					
18	Band D Equivalent	0.56	583.59	4947.28	11770.20	7519.34					
19	ADD army properties (D equiv)										
20	Total Band D Equivalent										
Less 2% provision for losses											

DIX 1

Band E	Band F	Band G	Band H	Total			
4,065	1,234	318	23	41327			
33	17	4	0	917			
0	0	0	0	0			
76	18	19	14	2522			
-4	-3	0	0	0			
<u>-12</u>	<u>-15</u>	<u>0</u>	<u>-3</u>	<u>0</u>			
<u>4006</u>	<u>1215</u>	<u>303</u>	<u>6</u>	<u>39722</u>			
<u>40.11</u>	<u>3.88</u>	<u>0.51</u>	<u>0</u>	<u>3399</u>			
177.5	157	39.25	34	8.5	0	3150.75	
4	4	2	7	3.5	2	1	21
2.5	1	0.25	0	0	0	0	42.25
<u>184</u>	<u>41.5</u>	<u>12</u>	<u>1</u>	<u>3214</u>			
3	0	0	1	1	0	0	48
0	0	0	1	2	0	0	46
0	0	0	0	0	0	0	39
0	0	0	0	0	0	0	0
3784.89	1169.62	293.49	5.00	33242			
4625.98	1689.45	489.15	10.00	31635.55			
				1827			
				<u>33,462.55</u>			
				<u>32,793.29</u>			