

DETERMINATION OF THE 2021/22 COUNCIL TAX BASE FOR TAX SETTING

Strategy & Resources Committee – 21 January 2021

Report of: Anna D'Alessandro – Chief Finance Officer (Section 151)

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

Section 67 of the Local Government Finance Act 1992 requires the Council to determine and approve its Council tax base for the following financial year before 31st January each year.

This report supports the Council's priority of: Building a better Council / Creating the homes, infrastructure and environment we need / Supporting economic recovery in Tandridge / Becoming a greener, more sustainable District.

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Recommendation to Committee:

That in accordance with its delegated powers, the Committee resolves that:

- A) The gross Council Tax Base for 2021/22 is determined at 38,921.6 after taking account of the Council's agreed Council Tax Support Scheme, and
- B) The net Council Tax Base for 2021/22 is determined at 38,454.5 after adjustment by 1.2% to allow for irrecoverable amounts, appeals and property base changes.

Reason for recommendation:

The Council is required to calculate the Council tax base for its area and has a statutory obligation to notify the figure to the major precepting authorities (Surrey County Council and the Surrey Police Authority) with the Council tax base no later than 31st January each year.

Introduction and background

1. The Council tax base is one of the element of the calculations concerned with setting the Council Tax under the Local Authorities (Calculation of Council Tax Base) (England) Regulation 2012.
2. All domestic properties within the District are banded by the Valuation Officer in one of eight bands. The tax base calculation includes the estimated number of chargeable dwelling after allowing for discounts and exemptions, appeals and voids for each parish for the period to 31st March 2020. The number of chargeable properties is converted to Band D equivalents by applying the prescribed formula.
3. This report sets out the various factors which have to be taken into account and provides the calculations to arrive at the tax base for 2021/22.
4. The 2021/22 Council Tax base is set out in **Appendix A**.

Council Tax Reduction Scheme

5. The Local Government Finance Act 2012 (LGFA 2012) includes a number of amendments to the LGFA 1992 which affects the calculation of the Council Tax base. These amendments gave powers to determine own discounts and set premiums in certain circumstances.
6. Section 10 of the Local Government Finance Act 2012 imposes an obligation on Billing Authorities to set up a Council Tax Reduction Scheme to replace Council Tax Benefit from 1 April 2013. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 specify that the tax base must be adjusted to take account of the amount to be paid in accordance with the reduction scheme.
7. This adjustment is shown in a separate column in **Appendix A**.

Other options considered

8. The Council must set its Council Tax base and notify the precepting authorities by 31st January 2021.

Consultation

9. The Council Tax base is a key element of the statutory calculation of the Council Tax.
10. In arriving at a net base, allowance must be made for irrecoverable amount, movements as a result of appeals and property base changes (new properties). For this purpose, the allowance of 0.7% is maintained. Combined with this is an estimation that due to the economic environment Local Council Tax Support claimants will increase so an allowance of 0.5% is proposed. Therefore, the gross Council Tax base is adjusted by 1.2%.

Key implications

Comments of the Chief Finance Officer

11. The Council tax base for 2021/22 has been calculated in accordance with the prescribed guidelines.

Comments of the Head of Legal Services

12. As set out in the main body of this report, the Council has a statutory obligation under The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 to calculate the Council Tax base (number of taxable properties), expressed as "Band D equivalent properties". Approval of these calculations is required by 31st January in each financial year. The proposed approach will support the Council in its statutory duty to deliver a balanced budget for the 2021/22 financial year.

Equality

13. This report does not disadvantage or discriminate against any different groups with protected characteristics in the community.

Climate change

14. There are no environmental / sustainability implications associated with this report.

Appendices

Appendix A – The 2021/22 Council Tax Base

Background papers

None

Appendix A

The 2021/22 Council Tax Base

Council Tax base for 2020/21							
2019/20 Band D equivalent	Band	Total dwellings	Number of dwellings after applying discounts and premiums	Less adjustment for Council Tax Support	Chargeable dwellings	Ratio to Band D	2020/21 Band D equivalent
1.1	A(DR*)		2.0	0	2	5/9	1.1
380.3	A	915.0	695.5	133.2	562.3	6/9	374.9
965.2	B	2,201.0	1840.8	584.3	1256.5	7/9	977.3
3425.4	C	5,230.0	4579.0	742	3837	8/9	3,410.7
7319.6	D	8,905.0	8087.0	768.4	7318.6	9/9	7,318.6
8255.8	E	7,639.0	7031.5	272.9	6758.6	11/9	8,260.5
6444.0	F	4,860.0	4544.5	78.8	4465.7	13/9	6,450.5
9794.8	G	6,252.0	5913.5	42.3	5871.2	15/9	9,785.3
2332.3	H	1,241.0	1175.2	3.9	1171.3	18/9	2,342.7
	Total	37,243.0	33,869.0	2,625.8	31,243.2		
38918.5	Gross Tax base						38,921.6
272.4	Less adjustment for losses in collection 1.20%						467.1
38,646.1	Net tax base						38,454.5

