

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet

DATE: 17 January 2022

SUBJECT: 2022/23 Council Tax Base Report

CHIEF OFFICER: Steven Mair, Director of Finance and Section 151 Officer

CONTACT OFFICER: Akram Rizvi

WARD(S): All

PORTFOLIO: Cllr Anderson – Financial Oversight, Council Assets & Performance

KEY DECISION: No

EXEMPT: No

DECISION SUBJECT TO CALL IN: Yes

APPENDICES:

Appendix 1 Summary Breakdown of 2022/23 Proposed Council Tax Base

1 Summary and Recommendations

- 1.1. This report presents information to Members on the number of properties in Slough and their categories of occupation for the purpose of determining the Council Tax base for the borough for the 2022/23 financial year.
- 1.2. Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 requires the council as the Billing Authority to calculate a Council Tax Base for its area by 31 January for the forthcoming financial year and duly notify precepting authorities (i.e. Thames Valley Police and Royal Berkshire Fire and Police) as well local Parish Councils.

Recommendations:

Cabinet is requested to approve:

- i. The provision for uncollectable amounts of Council Tax for 2022-2023 be agreed at 1.8% producing an expected collection rate of 98.2%.
- ii. the Council Tax base calculation for 2022/23 of 42,286.2 Band D equivalent dwellings (being 43,061.3 x 98.2%);
- iii. that no notional funding is passported to Parish Councils in respect to Council Tax Support as was the case in 2021/22

Cabinet is requested to note:

- iv. the Council Tax base is broken down as follows between local parishes and the rest of Slough:

Area	Band D Equivalent Dwellings
Parish of Britwell	836.4
Parish of Colnbrook with Poyle	1,811.3
Parish of Wexham	1,393.9
Slough (unparished)	38,244.6
Total Tax-Base	42,286.2

- v. the ongoing work to estimate the 2021/22 year end Council Tax position

Reason: The Council Tax Base is calculated and approved annually for the purposes of calculating funding from Council Tax for a Billing Authority, Major Precepting Authorities and local Parish Councils. The tax-base is calculated according to provisions in the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

Comments of Commissioners: The Commissioners have reviewed and noted this report.

2 Report

Purpose of Decision

- 1.3. As a Billing Authority, the Council has a statutory duty under Regulation 18 of Part V of The Council Tax (Administration and Enforcement) Regulations 1992 to serve a notice on the occupant of a property in the borough that is liable to pay Council Tax.
- 1.4. The requirement and provisions to calculate the Council's tax-base is set out in Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 1.5. The decision to approve the Council Tax base is required to fulfil a statutory duty and to enable the collection of locally generated funding to contribute towards the running of services for the Council's General Fund, Major Preceptors and local Parish Councils.

Options considered

- 1.6. There are no alternatives as there is a statutory requirement upon the Council to calculate and approve this tax-base.
- 1.7. A prescribed formula sets out how the tax-base is to be calculated and this includes adjustments for assumptions for how the tax-base may change due to growth in properties and other changes such as to Council Tax Support claims. These adjustments are considered in the proposed tax-base for approval.

Background

Council Tax Base – Relevant Amounts

- 1.8. The proposed 2022/23 tax-base for the Council and the parishes within Slough in this report have been calculated by reference to data available relating to dwellings within the borough provided by the Valuation Office Agency as at 30th November 2021.
- 1.9. The calculation of the Council's tax-base (or 'T') can be expressed as the sum of 'Relevant Amounts' known as 'A' for each valuation band (Bands A to H) multiplied by the collection rate known as 'B'.
- 1.10. In summary, 'Relevant Amounts' are to be calculated as the number of dwellings on the valuation lists supplied by the District Valuer adjusted for discounts, disabled persons reductions and anticipated changes e.g. projected growth in properties and Council Tax Support claims to the valuation lists during 2022/23.
- 1.11. The Band D equivalents for each property band in the borough of Slough for 2022/23 are summarised as follows:

Ratio	Bands	Number of Properties (Not Band D Equivalents)				
		Britwell Parish	Colnbrook with Poyle Parish	Wexham Court Parish	Rest of Slough	Total for Slough
5/9	A*	0.0	0.0	0.0	0.6	0.6
6/9	A	1.9	18.2	9.9	852.6	882.6
7/9	B	77.3	201.2	114.7	5,320.3	5,713.5
8/9	C	638.8	970.6	296.5	15,165.9	17,071.8
9/9	D	113.9	477.2	878.8	9,870.6	11,340.5
11/9	E	7.3	128.2	92.4	4,957.9	5,185.8
13/9	F	10.8	33.2	15.9	2,260.6	2,320.5
15/9	G	1.7	15.9	11.3	504.6	533.5
18/9	H	0.0	0.0	0.0	12.5	12.5
A: Aggregate of Relevant Amounts		851.7	1,844.5	1,419.5	38,945.6	43,061.3

*Disabled Person's Reduction

Adjustments

- 1.12. Within the regulations for setting the Council Tax-Base, adjustments are permitted for anticipated changes that are not currently in the position as at 30 November 2021. These adjustments could be to reflect estimates of property growth, changes to discounts and Council Tax Support claims.

Council Tax Support

- 1.13. The number of Council Tax Support claims peaked in 2020/21 due to the effects of the pandemic and lockdown measures which resulted in economic hardship for households. Whilst the level of Council Tax Support has reduced in 2021/22 compared to the peak of 2020/21 from 6,831 to 5,927 households, in light of the continuing economic challenges for households, an adjustment has been made for an anticipated increase to Council Tax Support claims. This adjustment reduces the overall tax-base.
- 1.14. The average local increase in Slough for Council Tax Support claims between Quarter 4 of 2020/21 and Quarters 1 and 2 of 2021/22 was 2.1% and this has

been applied the total amount of Council Tax Support Claims as at 30 November 2021. This results in a total reduction to the tax base of 109.3 Band D equivalent dwellings, broken down as follows:

	Britwell Parish	Colnbrook with Poyle Parish	Wexham Court Parish	Rest of Slough	Total for Slough
Number of Properties	(3.8)	(4.3)	(5.9)	(110.4)	(124.5)
Band D Equivalent	(3.2)	(4.5)	(5.4)	(96.3)	(109.3)

Growth

- 1.15. The starting position for calculating the 2022/23 tax-base (the number of dwellings as recorded on the Valuation Office Agency list) reports growth of 638 properties as at 30 November 2021 compared to 30 November 2020. For a large period of 2020/21, the lockdown measures stalled construction and other activities, however this began to reverse in 2021/22 which has resulted in an increase to the number of properties in the borough liable for Council Tax.
- 1.16. However, for prudence in light of continuing uncertainty from Covid and ongoing work to rebase the Council's own capital programme due to the Section 114 notice an adjustment factor for further growth that is not in the base as at 30 November 2021 has not been included in the proposed 2022/23 tax-base.

Council Tax Support and Parish Councils

- 1.17. In 2013/14, Council Tax Benefit was abolished and each authority as part of their Settlement Funding Assessment was awarded a notional amount of funding (less a percentage reduction due to austerity) for Council Tax Support.
- 1.18. Prior to setting the 2021/22 Council Tax base, a share of this notional funding was passported over to Parish Councils:

2020/21	Parish of Britwell	Parish of Colnbrook with Poyle	Parish of Wexham	Total
Notional Council Support Grant (£)	8,961	9,095	8,701	26,757

- 1.19. Following 2021/22, it is proposed to not passport this notional funding onto Parishes. The calculation of the tax-base and permitted adjustments already factor in non-collection due to Council Tax Support to set a base as at 30 November. This base will naturally change during the year and such changes are reflected in the following year's tax-base calculation

Collection Rate

- 1.20. For 2022/23, Cabinet is requested to approve a collection rate of 98.2%, which remains unchanged from 2021/22 but is lower than the collection rate for 2020/21 of 98.4%. The collection rate reduced in 2020/21 due to the difficulties in collecting Council Tax from the effects of the pandemic. It is proposed to keep collection rate at 98.2% for 2022/23 whilst recovery work for 2019/20 and 2020/21 continues.

Summary

- 1.21. Applying this collection rate of 98.2% (“B”) in the statutory calculation of the 2022/23 Council Tax Base (“T”) results in a Band D Equivalent tax-base of 42,286.2 dwellings:

Factor	Band D Equivalent	2022/23
A	Aggregate of Relevant Amounts	43,061.3
B	Collection Rate	98.2%
A*T	2022/23 Proposed Council Tax Base	42,286.2

- 1.22. The breakdown of the proposed 2022/23 Council Tax base (Band D equivalents) by Parish and Non-Parish area is as follows:

Band D Equivalent Dwellings	2021/22	2022/23
Parish of Britwell	810.4	836.4
Parish of Colnbrook with Poyle	1,830.3	1,811.3
Parish of Wexham	1,348.3	1,393.9
Remainder of Slough	36,839.7	38,244.6
Council Tax Base	40,828.7	42,286.2

- 1.23. Appendix 1 presents a summary by the main components of the 2022/23 tax-base to illustrate how the 42,386.2 dwellings has been derived. The main changes since 2021/22 are as follows:

Band D Equivalents	2021/22	2022/23	% Change	Comment
Relevant Amount	41,577.1	43,061.3	3.6%	There is an additional 638 properties and a reduction of 904 CTS recipients in the borough as at 30 Nov 2021 compared to 30 Nov 2020.
Collection Rate	98.2%	98.2%	0.0%	No change to the collection rate for 2022/23
Council Tax Base	40,828.7	42,286.2	3.6%	

Collection Fund Position

- 1.24. Any difference between the estimated Tax Base and what is actually realised in year has no impact on the in-year revenue position. Under accounting rules for Local Government, the difference is recognised in the Collection Fund Adjustment Account which is an “unusable reserve” and distributed in the following year.
- 1.25. Due to a large increase in the number of Council Tax Support claimants in 2020/21 from the effects of the pandemic and difficulties in collecting Council Tax, the Government permitted that the in-year deficit for 2020/21 could be spread over 3 years.
- 1.26. The in-year position for 2021/22 is under review and an estimate of the in-year position will be calculated in late January 2021.

3 Implications of the Recommendation

1.27. Financial implications

1.27.1. The decision to approve the proposed tax-base in this report has a significant financial implication for the Council. Funding from Council Tax is a material source of funding for the Council's GF budget and ongoing Medium Term Financial Strategy (MTFS) projections.

1.27.2. Funding from Council Tax is determined by:

- i. The tax-base (No. of Band D Equivalent Dwellings).
- ii. The Collection Rate (this is factored into ii))
- iii. The Council Tax Rate (measured at Band D)

1.27.3. The proposed tax-base for 2022/23 shows net growth of 3.57% over 2021/22. If approved, the increase to Band D Council Tax assumed in the March 2021 MTFS approved at Full Council (a 2.99% increase over 2021/22), would mean the Council would budget for £64.904m of Council Tax in 2022/23. Note: this will depend on the final amount of Band D that is recommended for approval by Cabinet to Full Council in March 2022.

Financial Summary	Approved 2021/22	Proposed 2022/23	Increase / (Decrease)	% Change
Band D Equivalent Tax-Base	40,829.3	42,286.4	1,457.1	3.57%
Band D Rate (£)*	1490.30	1534.86	44.6	2.99%
Council Tax Income (£'m)	60.848	64.904	4.056	6.67%
Less March 2021 Assumptions (£'m)	60.848	63.920	3.073	
Net Gain as at January 2022 (£'m)	0	0.984	0.984	

*modelled for 2022/23 as a 2.99% increase as per March 2021 MTFS approved at Full Council

1.28. Legal implications

1.28.1. The Council as Billing Authority is required to determine the Council Tax Base for the next financial year by 31st January 2022 and to notify other precepting authorities of the determination.

1.29. Risk management implications

1.29.1. The risks to note related to this decision are financial:

Risk	Mitigating action	Opportunities
1. Financial: The tax base is lower than expected because either growth does not materialise or there is a higher caseload of Council Tax Support claimants than estimated	This would result in a collection fund deficit which would need to be funded in 2023/24 either from any available reserves if available or from further savings to the revenue budget.	If the tax-base is higher than forecast there will be a collection fund surplus which will benefit the 2023/24 financial position
2. Financial: The actual collection rate is lower than the estimated collection rate of 98.2%	This would result in a collection fund deficit which would need to be funded in 2023/24 either from reserves if available or from further savings to the revenue budget.	If collection is better than forecast then this would result in a one-off collection fund surplus in 2023/24.

1.30. Environmental implications

1.30.1. There are no environmental implications associated with the decision to approve the tax-base in this report

1.31. Equality implications

1.31.1. Certain protected groups are more likely to be on lower incomes or at higher risk of unemployment and the Council CTSS scheme targets these groups. IN addition consideration will be given to use of enforcement processes alongside support to ensure that individuals who are struggling to pay their council tax are aware of the availability of debt welfare support.

4. Background Papers

None