

Slough Borough Council

REPORT TO: Cabinet

DATE: 16th January 2023

SUBJECT: 2023/24 Council Tax Base Report

CHIEF OFFICER: Steven Mair, Executive Director of Finance and Commercial (s151 Officer)

CONTACT OFFICER: Liton Rahman

WARD(S): All Wards

PORTFOLIO: Cllr Anderson – Financial Oversight and Council Assets

KEY DECISION: Yes

EXEMPT: No

DECISION SUBJECT TO CALL IN: Yes

APPENDICES: Appendix 1 – Breakdown of Proposed 2023/24 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 2023/24 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 2023/24 be agreed at 1.7% producing an expected collection rate of 98.3%.
- ii. the Council Tax base calculation for 2023/24 of 43,160.1 Band D equivalent dwellings (being 43,906.5 x 98.3%);
- iii. that no notional funding is passported to Parish Councils in respect to Council Tax Support as agreed for 2022/23

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	841.0
Parish of Colnbrook with Poyle	1,842.2
Parish of Wexham	1,402.4
Slough (unparished)	39,074.5
Council Tax Base	43,160.1

- v. the ongoing work to estimate the 2022/23 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

- 2.1 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.
- 2.2 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.
- 2.3 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

- 2.4 There are no alternatives as there is a statutory requirement upon the Council to calculate and approve this tax-base.
- 2.5 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

- 2.6 The proposed 2023/24 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 2022.
- 2.7 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'.
- 2.8 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 2023/24.
- 2.9 The Band D equivalents for each property band in the borough of Slough for 2023/24 are summarised as follows:

Ratio	Bands	Relevant Amount (i.e. number of Band D equivalent dwellings)				
		Britwell Parish	Colnbrook with Poyle Parish	Wexham Court Parish	Slough (unparished)	Total for Slough
5/9	A*	0.0	0.0	0.0	0.6	0.6
6/9	A	2.1	17.0	11.0	877.6	907.7
7/9	B	75.4	174.3	115.2	5,423.0	5,787.9
8/9	C	646.1	898.9	294.9	15,841.7	17,681.6
9/9	D	113.5	563.0	884.8	9,907.7	11,469.0
11/9	E	6.9	162.4	93.6	4,936.2	5,199.1
13/9	F	9.8	41.1	15.9	2,244.8	2,311.6
15/9	G	1.7	17.5	11.3	505.5	536.0
18/9	H	0.0	0.0	0.0	13.0	13.0
Total		855.5	1,874.2	1,426.7	39,750.1	43,906.5

**Disabled Person's Reduction*

Adjustments

- 2.10 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 2022. These adjustments could be to reflect estimates of property growth, changes to discounts and Council Tax Support claims.
- 2.11 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 2022/23 compared to the peak of 2020/21 from 6,831 to 5,538 band D equivalents, 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.
- 2.12 The average local decrease in Slough for Council Tax Support claims between Quarter 4 of 2021/22 and Quarters 1 and 2 of 2022/23 was 1.3%. However, an

increase of 2% has been applied to the total amount of Council Tax Support Claims as at 30 November 2022 to allow for any increases resulting from the continuing economic challenges for households. This results in a total reduction to the tax base of 97.3 Band D equivalent dwellings, broken down as follows:

	Britwell	Colnbrook with Poyle	Wexham Court	Slough (unparished)	Total Slough
Number of properties	(3.3)	(3.9)	(5.4)	(98.1)	(110.8)
Band D Equivalents	(2.9)	(3.5)	(4.9)	(86.0)	(97.3)

Growth

- 2.13 The starting position for calculating the 2023/24 tax-base (the number of dwellings as recorded on the Valuation Office Agency list) reports growth of 102 properties as at 30 November 2022 compared to 30 November 2021. 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.
- 2.14 Based on the latest building and planning information, we are expecting an increase of 429 band D equivalents in 2023/24 after taking into consideration the discounts and Council Tax Support that these properties may be eligible for.

Council Tax Support and Parish Councils

- 2.15 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.
- 2.16 Prior to setting the 2021/22 Council Tax base, a share of this notional funding was passported over to Parish Councils.
- 2.17 Following 2021/22, Cabinet decided not to passport this notional funding onto Parishes in future years. 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 2022. This base will naturally change during the year and such changes are reflected in the following year's tax-base calculation

Collection Rate

- 2.18 For 2023/24, Cabinet is requested to approve a collection rate of 98.3%, which is an increase of 0.1% from 2022/23 but is lower than the collection rate set for 2020/21 of 98.4%.

Summary

- 2.19 Applying this collection rate of 98.3% ("B") in the statutory calculation of the 2023/24 Council Tax Base ("T") results in a Band D Equivalent tax-base of 43,160.1 dwellings:

Element of calculation	2022/23	2023/24
Total of Relevant Amounts (A)	43,061.3	43,906.5
X		
Collection Rate (B)	98.2%	98.3%
Council Tax Base	42,286.2	43,160.1

2.20 The breakdown of the proposed 2023/24 Council Tax base (Band D equivalents) by Parish and Non-Parish area is as follows:

Band D Equivalent Dwellings	2022/23	2023/24	Change	% Change
Parish of Britwell	836.4	841.0	4.6	0.55%
Parish of Colnbrook with Poyle	1,811.3	1,842.2	30.9	1.71%
Parish of Wexham	1,393.9	1,402.4	8.5	0.61%
Slough (unparished)	38,244.6	39,074.5	829.9	2.17%
Council Tax Base	42,286.2	43,160.1	873.9	2.07%

2.21 Appendix 1 presents a summary by the main components of the 2023/24 taxbase to illustrate how the 43,160.1 dwellings has been derived.

Collection Fund Position

2.22 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.

2.23 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.

2.24 The in-year position for 2022/23 is under review and an estimate of the in-year position will be calculated in late January 2023.

3 Implications of the Recommendation

1.1. Financial implications

3.1.1 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.

3.1.2 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 i)
- iii. The Council Tax Rate (measured at Band D)

3.1.3 The proposed tax-base for 2023/24 shows net growth of 2.07% over 2022/23. The table below demonstrates the impact on the Council Tax budget as a result of the growth in the tax base along with any increases to the Band D Council Tax within the statutory limits.

	Approved	2023/24		
	2022/23	No increase	2.99% increase	4.99% increase
Council Tax Base	42,286.4	43,160.1	43,160.1	43,160.1
Band D Rate (£)	1,534.86	1,534.86	1,580.75	1,611.45
Council Tax Budget (£m)	64.9	66.2	68.2	69.6
Change from 2022/23 (£m)		1.3	3.3	4.6

1.2. Legal implications

- 1.2.1. Pursuant to The Local Government and Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the Council as Billing Authority is required to determine the Council Tax Base for the next financial year by 31st January 2023 and to notify other precepting authorities of the determination.
- 1.2.2. The Local Authority (Calculation of Council Tax Base) (England) Regulations 2012 SI.2914, require a Billing Authority to use a given formula to calculate the Council Tax Base. This is the formula set out and followed in the appendix to this report.
- 1.2.3. Under paragraph 4.(2) of Part 4.3 (Budget and Policy Framework Procedure Rules) of the Constitution, by the end of January, the Cabinet must approve, or delegate the approval of, the Council Tax Base estimates.

1.3. Risk management implications

Category	Risks/Opportunities	Mitigation	Additional Controls
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 If the tax-base is higher than forecast there will be a collection fund surplus which will benefit the 2024/25 financial position	This would result in a collection fund deficit which would need to be funded in 2024/25 either from any available reserves if available or from further savings to the revenue budget.	Budget monitoring process and regular reporting on achievement of budget and savings
Financial	The actual collection rate is lower than the estimated collection rate of 98.3% If collection is better than forecast then this would result in a one-off collection fund surplus in 2024/25.	This would result in a collection fund deficit which would need to be funded in 2024/25 either from reserves if available or from further savings to the revenue budget.	Budget monitoring process and regular reporting on achievement of budget and savings

1.4. Environmental implications

- 1.4.1. Not Applicable

1.5. Equality implications

- 1.5.1. Certain protected groups are more likely to be on lower incomes or at higher risk of unemployment and the Council CTS 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

- 4.1 None