

REPORT OF: CHIEF FINANCE OFFICER
TO: POLICY & RESOURCES COMMITTEE
DATES: 16th December 2021

Contact Details: Richard Gibson
E-mail: richard.gibson@pendle.gov.uk

COUNCIL TAX BASE 2022/23

PURPOSE OF REPORT

The purpose of this report to seek approval of the Council Taxbase for 2022/23 (including the Taxbase for each parish).

RECOMMENDATIONS

It is recommended that the Committee:

- (1) in accordance with the Local Authorities (Calculation of Taxbase England) Regulations 2012, agrees that the amount calculated by the Borough of Pendle as its Council Taxbase for the year 2022/23 shall be (see **Appendix A**); and
- (2) that the Taxbase for parished area shall be as shown at **Appendix B**.

REASON FOR RECOMMENDATIONS

To agree the Council's Taxbase for 2022/23 for Council tax setting purposes.

ISSUE

1. The Policy and Resources Committee approves the formal calculation and setting of the annual Council Taxbase which is used in the budget cycle to set the amount of council tax for the Borough.
2. For 2022/23, in accordance with the approved calendar of meetings, and to ensure the Council Taxbase is set by 31st January 2022, the Policy and Resources Committee is asked to approve the formal calculation and setting of the annual Council Taxbase.

3. The Council is required to calculate the Taxbase for the Borough as a whole. It is also required to make separate calculation for those parts of the Borough to which Town and Parish precepts relate. There are two main components used in a Taxbase calculation:
 - (a) the estimated number of domestic properties in the Borough (or the parish area where applicable) multiplied by the appropriate discount and banding factors; and
 - (b) the estimated collection rate of council tax for the year.

Calculation of Borough Taxbase – Property Banding Base

4. A Valuation List for the Borough has been compiled by the Listing Officer (Valuation Office Agency) and the list used for revenue support grant purposes reflects changes made up to 4th October 2021. This list shows the banding of each property for the eight valuation bands prescribed by legislation.
5. The bands, based on market values at 1st April 1991 are as follows:

Valuation Band	Range of Values
A	Up to and including £40,000
B	£40,001 to £52,000
C	£52,001 to £68,000
D	£68,001 to £88,000
E	£88,001 to £120,000
F	£120,001 to £160,000
G	£160,001 to £320,000
H	More than £320,000

6. The Valuation List details are further analysed to take account of claims for discounts, exemptions, and relief for the disabled. Banding ratios are then applied to the net totals in each band to give the total of Band D equivalent properties.
7. A total Taxbase after allowance for council tax support of 25,600.7 was reported to the Department for Levelling up, Housing, and Communities (DLUHC) in mid-October 2021. The analysis shown at Appendix A reflects the updated Taxbase of as at 30th November 2021 as per statutory requirements. The variation between the Taxbase submitted to DLUHC and the Council's Taxbase for budget purposes reflects different or updated assumptions on discounts and other local factors. An updated Taxbase of 25,200.7 is shown in Table 1.

Council tax Support

8. Councillors will be aware that the financial support provided to eligible residents to help them pay their Council tax (known as Localised Council tax Support Scheme) is treated as a discount and reduces the Council tax liability.
9. The Council is required to consider annually whether, aside from any changes in the prescribed requirements regulations, it wishes to revise or replaces its Council tax Support Scheme. For 2022/23, no such changes are proposed, save for the annual uprating of allowances and other parameters in line with the prescribed regulations yet to be published by DLUHC. There is no reduction in the maximum level of support provided to working age claimants. This will continue to be a maximum of 80%.

10. Based on the estimated Council tax Support to be provided in 2021/22, the Council's Taxbase has been reduced by 3,602.4 Band D equivalent properties (3,698.5 in 2021/22). This is shown in Table 1 below:

Table 1 - Council tax Support Taxbase Adjustment

	Council tax Support £	Taxbase
Gross Taxbase		28,803.1
Estimated Net Cost of Council tax Support (a)	7,821,403.50	
Estimated Band D Council tax for 2022/23 (b)	2,171.16	
Taxbase Equivalent of Council tax Support (a/b)		3,602.4
Adjusted Gross Council Taxbase		25,200.7

Calculation of the Borough Taxbase

11. It is normal practice to adjust the initial calculation of the Council Taxbase by an amount to cover the costs of non-collection. This is referred to as the Collection Rate. There is no set rule for estimating the collection rate although the Council's past estimates have been based on an achievable collection rate. Any under / over estimates are in increase of decrease to the final Council tax figure so it is prudent to ensure that we underestimate rather than overestimate, particularly in the current economic climate and the ongoing impacts of the pandemic.
12. Table 2 below shows the calculation of the Council's Taxbase adopting an estimated collection rate of 95%, unchanged from the previous year.

Table 2: Council Taxbase for 2022/23

	Gross Taxbase	Collection Rate %	Net Taxbase
Taxbase for 2022/23	25,200.7	95.00%	23,940.6

IMPLICATIONS

Policy

13. There are no new policy implications arising directly from the contents of this report.

Financial

14. The financial implications are generally as indicated in the report.
15. For the purposes of the Medium Term Financial Plan, the data contained within this report will be factored in to develop the budget and proposals for future years.
16. The proposed Council Taxbase is 23,940.6 reflecting both an additional cost of Council tax Support and a lower level of Collection, which have been considered as an anticipated consequence of the ongoing impact of the Covid-19 pandemic.
17. The Taxbase is an estimate as at 30th November 2021. Any variations to the actual Taxbase in 2022/23 will result in a surplus or deficit on the Council tax Collection Fund which will be shared between the precepting authorities. To avoid a deficit accumulating in the Collection Fund,

which would result in a liability that would fall to the revenue budget, the estimates used to calculate the Taxbase have followed the accounting principle of prudence.

Legal

18. There are no legal implications arising from the content of this report.

Risk Management

19. As Councillors will appreciate, the Council Taxbase is an estimate based on a range of factors that are subject to change. These include the number of properties, the amount of discounts exemptions & reliefs, and the collection rate of Council tax.

20. Whilst prudent estimates have been applied in order to prevent a deficit accumulating on the Council tax Collection Fund, due to the current Covid-19 Pandemic and the uncertainty about the recovery of the local economy and residents ability to pay Council tax, there is a risk that the actual Council Taxbase may be at variance with the estimates contained in this report.

21. Recognising this, regular monitoring of the position with Council tax collection and the Collection Fund will continue to be undertaken and reported as part of the Council's Strategic Monitoring Report.

Health and Safety

22. There are no health and safety implications arising directly from the contents of this report.

Sustainability Implications

23. There are no sustainability implications arising directly from this report.

Community Safety:

24. There are no community safety issues arising directly from the contents of this report.

Equality and Diversity:

25. There are no equality and diversity implications arising from the contents of this report.

APPENDICES

Appendix A – Pendle Borough Council – Council Taxbase 2022/23

Appendix B – Pendle Borough Council – Taxbase by Parish Council 2020/23

LIST OF BACKGROUND PAPERS

None

Appendix A

Pendle Borough Council Taxbase 2020/23

	A-	A	B	C	D	E	F	G	H	Total
Full	69	13,123	2,922	3,109	2,503	1,403	798	433	26	24,386
75%	31	10,493	1,605	1,265	762	333	152	61	8	14,710
50%	-	12	4	12	7	9	8	6	3	61
2 nd Homes – Discount 0%	-	156	21	11	9	8	7	3	0	215
Empty	-	610	102	77	42	24	14	9	1	879
Exempt	-	538	85	67	31	23	6	8	0	758
Total	100	24,394	4,654	4,474	3,323	1,777	979	512	38	41,009
Gross Band D Taxbase	51.5	14,413.8	3,278.5	3,661.9	3,114.5	2,057.3	1,339.5	818.0	68.0	28,803.1

Less Local Council tax Support	-3,602.4
Adjusted Gross Taxbase	25,200.7
Net Council Taxbase @ 95% Collection Rate	23,940.6

Appendix B

Pendle Borough Council – Taxbase 2020/23 by Parish

Parish	Taxbase
Barley	131.5
Barnoldswick	2,981.8
Barrowford	2,086.4
Blacko	292.0
Bracewell & Brogden	120.1
Brierfield	2,072.6
Colne	4,717.9
Earby	1,230.8
Foulridge	584.7
Goldshaw Booth	109.2
Higham	343.4
Kelbrook & Sough	342.9
Laneshaw Bridge	307.8
Nelson	5,939.5
Old Laund Booth	627.8
Reedley Hallows	707.6
Roughlee	151.0
Salterforth	311.4
Trawden Forest	882.3
Pendle Total	23,940.6