



Report to Cabinet

Date:	5th January 2023
Title:	Council Tax Base Setting 2023/24
Relevant councillor(s):	Martin Tett, Leader
Author and/or contact officer:	David Skinner
Ward(s) affected:	All
Recommendations:	Approve the Buckinghamshire Council's provisional tax base for the year 2023/24 as 228,997.95. To note the Buckinghamshire Council's collection rate for the year 2023/24 is 98.3%.
Reason for decision:	It is a requirement to set the Council Tax Base as at 30th November and inform the other Preceptors.

1. Executive summary

- 1.1 In 2023/24, the provisional tax base for the year is 228,997.95 which is 1.76% higher than 2022/23.
- 1.2 The increase in tax base from last year arises from:
 - a) Slight reduction in Council Tax Reduction Scheme; this increased the base by 638 band D equivalent properties;
 - b) Increasing the collection rate from 98.2% to 98.3%; this increased the base by 229 band D equivalent properties;
 - c) Adjustments in respect of changes in the number of chargeable dwellings, discounts or premiums; this will increase the base by 3100.21 band D equivalent properties.

2. Content of report

2.1 Background

- a) The Local Authorities Calculation of Council Tax Base (England) Regulations 2012 prescribe rules for the calculation of the Council Tax base.
- b) On an annual basis, all local authorities are required to calculate a Council Tax Base which is used to set the level of Council Tax. The process is governed by the Local Authorities' (Calculation of Tax Base) Regulations 1992.

2.2 Methodology

- a) The tax base is set having regard to:
 - i. The Valuation List;
 - ii. Current exemptions, reductions and discounts;
 - iii. Discretionary discounts;
 - iv. Anticipated developments that may occur during the year;
 - v. Expected long term collection rate;
 - vi. Local discounts and premiums arising from the Council Tax Support Scheme.

2.3 The basic methodology for calculating the tax base is as follows:

- a) Calculations are made of the 'relevant amount' for the year in respect of the valuation bands shown in the Council's Valuation List as at the end of November. For each band, this amount represents the estimated full year equivalent number of chargeable dwellings listed in the band after taking into account the impact of disabled band reductions and discounts.
- b) The 'relevant amounts' for each band are then aggregated and expressed as an equivalent number of band D dwellings.
- c) The Council then multiplies this aggregate of all relevant amounts by the estimated collection rate for the year. The resulting figure is the Council Tax Base for the year
- d) The rules for calculating the Council Tax Base for any part of a Council's area (e.g. a parish, or that part of its area to which a levy or special levy relates) are the same as the rules for calculating the Council Tax Base for the whole of its area for that year, and the same estimated collection rate must be used.

2.4 Local discounts and premiums arising from the Council Tax Support Scheme and Council Tax Reforms brought in from 1 April 2014 have been taken into account in the tax base calculation. The calculation is based on the current position in terms of numbers on the Council Tax Reduction Scheme (CTR).

- 2.5 The result of this calculation for each band and each part of the area is then scaled to a Band D equivalent by reference to the ratios laid down in Section 5 of the 1992 Act and summarised below.

Band	A	B	C	D	E	F	G	H
Weighting	6/9	7/9	8/9	1	11/9	13/9	15/9	2

- 2.6 The estimate of the collection rate is the main area over which the Council has any discretion. Recommendation 2 seeks approval for an estimated collection rate of 98.3% which has been estimated by reference to past experience of Council Tax collection, including the current observable conditions.
- 2.7 Collection rates will be monitored, and any adjustments will be reflected in the calculation of the 2023/24 surplus or deficit.

3. Other options considered

- 3.1 As stated in para 2.6, the Council has discretion over setting the collection rate. Setting a higher rate would increase revenue. Any potential deficit created by the collection rate falling below the rate can be managed in future years. Changing the assumption around the collection rate would also impact on the receipts of major preceptors.

4. Legal and financial implications

4.1 Key Financial Risks

<u>Demand for Housing</u>		
<u>Description</u>	<u>Key Indicators</u>	<u>Mitigation</u>
Inflation without growth, increasing building costs, financial regulation, and mortgage availability	<ul style="list-style-type: none"> Inventory of House builders' unsold homes Weak wage growth Unemployment %A 	Monitoring House builder performance; adjust growth forecasts; and minimise use of prior year surplus
<u>Supply of Housing</u>		
<u>Description</u>	<u>Key Indicators</u>	<u>Mitigation</u>
Increasing building costs, lack of industry skills and capacity, changes to regulations and taxes, for example stamp duty on Buy to Let purchases.	<ul style="list-style-type: none"> New government initiatives Build cost inflation 	Monitoring inflation; adjust growth forecasts; and minimise use of prior year surplus (reserve)
<u>Credit Risk</u>		
<u>Description</u>	<u>Key Indicators</u>	<u>Mitigation</u>
Default of debt owed by taxpayer.	<ul style="list-style-type: none"> Debtor days' ratio Lifetime credit losses Aging profile 	Adjust collection rate in future period.

5. Consultation with local councillors & community boards

5.1 Not applicable.

6. Communication, engagement & further consultation

6.1 The provisional tax base will be provided to other preceptors (e.g. parishes).

7. Next steps and review

7.1 The Council Tax Base report will be taken to Cabinet for approval on 5th January 23.

8. Background papers

8.1 Appendix 1: Council Tax Base of each of the parts of Buckinghamshire Council.

