



Classification	Item No.
Open	

Meeting:	CABINET
Meeting date:	24 November 2020
Title of report:	Setting the 2021/22 Council Tax Base
Report by:	Leader of the Council and Cabinet Member for Finance and Growth
Decision Type:	Key Decision
Ward(s) to which report relates	All

Executive Summary

1 INTRODUCTION

1.1 Bury Council, as a Council Tax billing authority, is required each year to make statutory calculations to calculate the Council tax base for the forthcoming year and this informs the funding on which the Council's budget is based. The calculation is specified in Section 33 of the Local Government Finance Act 1992 (as amended). The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require authorities 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. This report sets out the basis of Bury council's calculation.

Recommendations

1.2 Cabinet is asked to:

Note the statutory requirement for setting the Council Tax Base and the basis on which calculations must be made and:

- **Approve the Council Tax base expressed as "Band D equivalent properties", as 53,828 for 2021/22 (55,222 20/21) as detailed at Appendix 1.**
- **Approve the proposed precepts payment schedule as set out in the report.**

2 BACKGROUND

- 2.1 Bury Council, as a Council Tax billing authority, is required each year to make statutory calculations specified in Section 33 of the Local Government Finance Act 1992 (as amended). The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require authorities 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.
- 2.2 The Local Government Finance Act 1992 prescribes the procedures to be adopted in setting precept payment dates. The Act requires billing authorities to notify precepting authorities of a proposed payments schedule. This notification must be given before 31st December in respect of the following financial year. The final payments schedule is then confirmed by 31st January.
- 2.3 The calculation of the tax base has to be made by 31st January and notified to the major precepting and levying authorities. Under Section 84 of the Local Government Act 2003 the determination can be delegated to a committee or sub-committee in accordance with Section 101 of the Local Government Act 1972. Cabinet is asked to approve the report.

Calculation of the Council Tax Base

- 2.4 The calculation of the tax base starts with the number of recorded properties in each tax band (A to H) as at 30th September 2020, adjusted for:
- changes expected to occur up to 31 March 2022 as a result of appeals, demolition and new home construction;
 - estimated number of disabled person's reductions;
 - discounts allowed for single person households, students and empty/exempt properties.
- 2.5 Following on from the resulting figure from the application of the process outlined in paragraph 4.1.2, the tax base calculation for 2021/22 also takes account of the additional charges resulting from the local discount scheme in place for empty properties and second homes, along with the impact of the Local Council Tax Support scheme.
- 2.6 The calculated number of properties in each band is then multiplied by a factor specified in the regulations to give an "equivalent number of band D properties" and then by an estimate of the likely collection rate for 2021/22 to give the tax base.
- 2.7 The Council Tax base is used by the precepting authorities to apportion their net expenditure to their constituent authorities and by Bury Council to set the level of Council Tax for 2021/22.
- 2.8 The Council's net budgeted spending, including precepts and levies and after taking account of receipts of Business Rate income, is divided by the tax base to produce the Council Tax level for Band D properties, which is the headline tax figure.

Precepting Authority and Payment Dates 2021/22

2.9 From 2018/19 elected Combined Authority Mayors were able to raise additional resources through a precept (or additional charge) on local Council Tax bills. The Greater Manchester Combined Authority sets a precept with two separately identified elements for the mayor's general

2.10 For 2021/22 the precepting authorities will continue to be:

- Bury Council – General Functions
- Bury Council – Adult Social Care
- Greater Manchester Combined Authority – Police & Crime Commissioner
- Greater Manchester Combined Authority – General Functions, including Fire Services

2.11 The Local Government Finance Act 1992 prescribes the procedures to be adopted in setting precept payment dates. The Act requires billing authorities to notify precepting authorities of a proposed payments schedule. This notification must be given before 31 December in respect of the following financial year. The final payments schedule is then confirmed by 31 January.

2.12 The proposed payments schedule, is in line with the one operating in the current year, which was agreed by all Greater Manchester Authorities:

20th April 2021	20th October 2021
20th May 2021	22nd November 2021
22st June 2021	20th December 2021
20th July 2021	20th January 2022
20th August 2021	21st February 2022
20th September 2021	21st March 2022

Costs and Budget Summary

2.13 The detailed calculation of the tax base is set out in Appendix 1 and shows that the total number of properties has increased by 82 from 84,140 to 84,222 in the year ending on 30th September 2020. In the previous two years the net change had been increases of 609 (2018) and 398 (2017). The growth in dwellings has been minimal due to the impact of COVID 19 restrictions during the year.

2.14 The Local Council Tax Support scheme forecast provided in the tax base is based on the proposed 2021/22 local scheme to be approved by Cabinet in January 2021.

2.15 The overall estimated collection rate is reducing to 94.5 to reflect the difficulties faced during the COVID-19 pandemic (96.5% in 2020/21)

2.16 The Local Government Finance Act 1992 prescribes the procedures to be adopted in setting precept payment dates. The Act requires billing authorities to notify precepting authorities of a proposed payments schedule. This notification must be given before 31st December in respect of the following financial year. The final payments schedule is then confirmed by 31st January.

Risks and Opportunities

- 3.1 It is necessary to comply with Section 33 of the Local Government Finance Act 1992 (as amended); The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; Section 84 of the Local Government Act 2003 and Section 101 of the Local Government Act 1972, to ensure that there is no risk of the authority acting ultra vires in relation to its Council Tax arrangements.
- 3.2 It is necessary to comply with Section 33 of the Local Government Finance Act 1992 (as amended) and The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, to ensure the Council Tax Base is correctly calculated.

Recommendations

Cabinet is asked to note the statutory requirement for setting the Council Tax Base and the basis on which calculations must be made and:

- Approve the Council Tax base expressed as “Band D equivalent properties”, as 53,828 for 2021/22 (55,222 20/21) as detailed at Appendix 1.
- Approve the proposed precepts payment schedule as set out in the report.

Community impact

There are no community impacts arising from this report.

Equality Impact and considerations:

24. *Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying ‘due regard’ in our decision making in the design of policies and in the delivery of services.*

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The proposals and recommendations ensure that the Council is compliant with statutory requirements. Failure to comply with the requirements would result in the council not being able to set a legal budget for the 2021/22 financial year.	

Consultation:

No consultation on the Council Tax Base is required.

Legal Implications:

The statutory duties and responsibilities of the Council as a council tax billing authority are set out in the report, as are the details of the relevant statutory provisions. A failure to do so could result in the Council acting unlawfully and at risk of legal challenge.

Financial Implications:

The proposed approach will support the Council in its statutory duty to deliver a balanced budget for the 2021/22 financial year.

Report Author and Contact Details:

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Background papers:

Revenue Budget 2020/21 and Medium Term Financial Strategy 2020/21 – 2024/25

Approach to developing the Medium Term Financial Strategy 2020/21 – 2024/25

The Council’s Financial Position 2020/21 – As at 30 June 2020

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

Appendix A

Calculation of Council Tax Base 2021/22 (Based on all properties)										
Bands	A Reduced	A	B	C	D	E	F	G	H	TOTAL
Total Number of Dwellings on the valuation list	0.00	30,366.00	18,565.00	17,304.00	9,185.00	5,496.00	1,853.00	1,275.00	178.00	84,222.00
Total Number of Exempt and Disabled Relief dwellings on the Valuation List	51.00	19.00	15.00	-25.00	-10.00	-31.00	10.00	-8.00	-21.00	0.00
Less: estimated discounts, exemptions and disabled relief	2.50	4,815.50	2,051.25	1,502.75	682.75	281.75	104.75	62.25	-3.00	9,500.50
Total Equivalent number of dwellings after discounts, exemptions and disabled relief	48.50	25,569.50	16,528.75	15,776.25	8,492.25	5,183.25	1,758.25	1,204.75	160.00	74,721.50
Factor stipulated in regulations	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	0.00
Band D equivalent	26.94	17,046.33	12,855.69	14,023.33	8,492.25	6,335.08	2,539.69	2,007.92	320.00	63,647.25
Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments	7.55	4,165.42	1,338.86	738.85	263.55	118.68	37.04	16.01	0.31	6,686.27
Additional Net Dwellings in 2020/21 based on known regeneration with the Borough and reductions in levels of discounts and exemptions										0.00
Total after LCTSS and Other Adjustments	19.40	12,880.91	11,516.84	13,284.48	8,228.70	6,216.41	2,502.65	1,991.90	319.69	56,960.98
Multiplied by estimated collection rate	0.945	0.945	0.945	0.945	0.945	0.945	0.945	0.945	0.945	
BAND D EQUIVALENTS	18.33	12,172.46	10,883.41	12,553.84	7,776.13	5,874.50	2,365.01	1,882.35	302.11	53,828.13

Band D Equivalent assuming 1.94% increase	£1,643.31
Total Tax Yield £'000	£88,456.39