

Cherwell District Council

Executive

10 January 2022

Council Tax Base 2022-2023

Report of Director of Finance

This report is public

Purpose of report

To provide Council Tax Base for 2022-2023

1.0 Recommendations

The meeting is recommended:

1.1 That the report of the Director of Finance for the calculation of the Council's Tax Base for 2022-2023 be agreed and:

- (a) That pursuant to the Director of Finance's report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Cherwell District Council as its Council Tax Base for the year 2022-2023 shall be **56,801.6**
- (b) As for the parishes which form part of its area shown in Appendix 1, the amount calculated as the Council Tax Base for the year 2022-2023 in respect of special items shall be as indicated in the column titled Tax Base 2022-2023.
- (c) As for the Flood Defence Areas which form part of its area, the amount calculated as the Council Tax Base for the year 2022-2023 for the purposes of levies on Oxfordshire County Council by River Authorities, shall be:

Thames Flood Defence Area	54,450.4
Anglian (Great Ouse) Flood Defence Area	1,901.3
Severn Region Flood Defence Area	449.9
TOTAL	56,801.6

2.0 Introduction

2.1 For the purposes of Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the Council is required to calculate the tax base (which will be used for tax setting purposes in February 2022) in respect of:

(a) the whole of its area and

(b) for any parts of its area for the purposes of:

- (i) Apportioning precepts and levies and
- (ii) Calculating the tax base for each area subject to a special item

3.0 Report Details

3.1 In respect of the 1 (a) 'the whole of its area':

3.1.1 The tax base has to be notified by Cherwell District Council to major precepting bodies (i.e., Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley) and levy authorities (i.e., Thames Flood Defence Area, Anglian (Great Ouse) Flood Defence Area and Severn Region Flood Defence Area) by 31 January 2022 to enable their precepts to be calculated as a tax per band D equivalent properties.

3.2 In respect of 1 (b) 'parts of its area'

3.2.1 Major precepting and levying authorities have to notify Cherwell District Council (the billing authority) by 31 December 2021 of the area(s) subject to a special item (expense) and for which an apportionment of the tax base is required. No such notification has been received.

3.2.2 Parishes who levy a precept are automatically treated as a special item and there has to be a tax base calculated for each of the parishes in the area. They are not required to calculate a precept as a tax per band D equivalent property but can request the tax base figure to be supplied to them within ten days of making a request. Each parish and town council are notified of the figure for their area.

Calculation of the tax base

3.3 The starting point of the calculation, as shown in Appendix 3, is the total number of council tax dwellings and their council tax band.

3.4 The council then allows for the following information and estimates for each band:

- (a) Dwellings which are exempt, so no council tax is payable (e.g., those where all occupiers are students)

- (b) Dwellings which attract a 25 per cent reduction (e.g., those with a single adult occupier)
- (c) Dwellings which attract a 50 per cent reduction (e.g., those properties where all adult residents are disregarded or 'don't count' for council tax purposes)
- (d) Dwellings which are treated as paying a lower band because they have been adapted for a disabled person. The regulations specify how to adjust the tax base in respect of band A dwellings.
- (e) Dwellings which attract a reduction through the Council Tax Reduction Scheme.
- (f) Dwellings which are exempt from council tax

3.5 Each band is then converted into "band D equivalents" by applying the factor required by legislation. A band H, for example, is multiplied by two. All of these are added together to give a total number of band D equivalents.

3.6 A further adjustment is made for Class O exempt properties (Armed forces' accommodation) as the Ministry of Defence makes a payment roughly equal to the council tax that it would have had to pay for each property if they were not exempt.

3.7 We also estimate the number of properties which will be either added to or removed from the Valuation List in the new financial year and make an adjustment to reflect that they won't all be subject to full council tax for 12 months.

3.8 A final adjustment is made to allow for non-collection. The council is required to decide what its collection rate is likely to be and applies this to its council tax base. For 2021-2022 this was 98% and it is proposed it should be 98% in 2022-2023.

4.0 Conclusion and Reasons for Recommendations

4.1 Members are asked to note the detail of this report and to delegate final approval of the Council Tax Base for 2022-2023 to the Section 151 Officer in consultation with the Lead Member for Finance and Governance.

4.2 For the purposes of Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the Council is required to calculate the tax base (which will be used for tax setting purposes in February 2022) in respect of:

- (a) the whole of its area and;
- (b) for any parts of its area for the purposes of:
 - (i) Apportioning precepts and levies and;

- (ii) Calculating the tax base for each area subject to a special item

5.0 Consultation

Councillor Tony Ilott, Lead Member for Finance and Governance

6.0 Alternative Options and Reasons for Rejection

There are no alternative options. The Council has to set a tax base in order to set its council tax for 2022-2023.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications within this report. However, when the Council determines its Council Tax Requirement when setting the budget, the Council Tax Base is used for calculating the amount of Council Tax set by Cherwell District Council. The tax base of 56,801.6 will be reflected in the budget papers taken to Executive and Council in February 2021.

Comments checked by:

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Legal Implications

- 7.2 For each financial year and each category of dwellings in its area, the council must set an amount of council tax (section 30, Local Government Finance Act 1992). Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 demand that the council calculates a tax base by 31 January 2021. This will be used for Council Tax setting purposes in February 2021.

Comments checked by:

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Risk Implications

- 7.3 If the Council does not set a tax base in accordance with statutory deadlines, then it will not be able to set its Council Tax for the 2021-2022 financial year. This is managed as an operational risk and escalated to the leadership risk register as and when necessary.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected:

All

Links to Corporate Plan and Policy Framework:

All

Lead Councillor:

Councillor Tony Ilott, Lead Member for Finance & Governance

Document Information

Appendix number and title

- Appendix 1 - Council tax base by parish
- Appendix 2 - Council tax base by Flood Defence Area
- Appendix 3 - Council tax base calculation

Background papers

None

Report Author and contact details

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