

Report subject	Council Tax - Tax base 2022/23
Meeting date	12 January 2021
Status	Public Report
Executive summary	This report calculates and presents the proposed council tax base for council tax setting purposes in line with current legislation and guidance.
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <p>(a) Approves the report for the calculation of the council's tax base for the year 2022/23 and recommends the tax base to Full Council.</p> <p>(b) Pursuant to the report, and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, the amount calculated as the council tax base for Bournemouth, Christchurch and Poole Council for 2022/23 is 142,814.</p>
Reason for recommendations	The Council is required by the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended, to calculate the council tax base for the financial year 2022/23.
Portfolio Holder(s):	Councillor Drew Mellor, Leader, Finance & Transformation
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Matthew Filmer, Acting Assistant Chief Financial Officer Kerrie Eggleton, Project Accountant
Wards	All
Classification	For Recommendation

Background

1. Bournemouth, Christchurch and Poole (BCP) Council is required to calculate its tax base in accordance with the Local Authorities (Calculation of Tax Base)

Regulations 1992, as amended, and provide this information to the Dorset Police & Crime Commissioner, the Dorset & Wiltshire Fire & Rescue Authority as well as the relevant parish, town and neighbourhood councils and charter trustees in the BCP Council area.

2. This is the first year a combined BCP Council tax base has been presented having harmonised the council tax charges in 2021/22.

Calculation of council tax base

3. Under the Local Government Finance Act 1992 and accompanying regulations, detailed procedures exist for calculating the tax base which will be used for calculating the levels of council tax charged to residents. The tax base for BCP Council is expressed as the number of band D equivalent properties and will be used to calculate BCP Council's element of council tax as well as the council tax charged by other preceptors.
4. The detailed calculation of the BCP Council tax base is provided in Appendix A.
5. The calculations include estimated changes in the Valuation Office's Valuation List that will take place during 2022/23 by reference to the following:
 - a) Provision for successful appeals
 - b) Provision for exempt properties
 - c) Changes in the number of properties (demolitions and new additions)
 - d) Cost of local council tax support scheme (LCTS)
 - e) Estimated single person and other discounts
 - f) Estimated collection rate
6. The total estimated tax base for BCP Council has increased from 139,170.5 in 2021/22 to 142,814 in 2022/23. There was a significant decrease in the tax base for 2021/22 due to the impact of Covid 19 on the cost of delivering LCTS and a reduction in council tax collection rates.
7. Throughout 2021/22 the cost of LCTS has decreased and collection rates marginally improved, although both features remain adverse compared to pre pandemic levels.
8. The cost of the LCTS is estimated at £26.9 million (£29.1 million 2021/22) which is a decrease of £2.2 million compared to last year. The weighted average collection rate is estimated at 97.6% (97.2% 2021/22).
9. In addition to calculating the tax base for BCP Council, a separate tax base must be calculated for each part of the council's areas to which a special item of expenditure relates. Parish, town and neighbourhood councils and charter trustee precepts are all treated as special items for these purposes and their precepts are charged only over the tax base for the relevant area. This is provided in Appendix B to this report.
10. The council tax requirement for 2022/23, which will be approved by BCP Council in February 2022, will be divided by the calculated tax base to arrive at the charge for a band.

Options Appraisal

11. The council can make differing assumptions regarding the estimated additions, deletions, exempt properties, discounts, cost of LCTS and the collection rate and

their impact on the tax base. However, these have been set at a level based on historical trend and with due regard to the current economic environment and ongoing effects of covid-19, in order to ensure as far as possible that a deficit does not occur on the collection fund.

Summary of financial implications

12. As set out in the body of this report.

Summary of legal implications

13. The calculation and approval of the tax base is a crucial step in the council being able to set a legal balanced budget for 2022/23.

14. The council must set its tax base in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended, and inform other preceptors of their relevant tax base.

Summary of human resources implications

15. None

Summary of sustainability impact

16. None

Summary of public health implications

17. None

Summary of equality implications

18. None

Summary of risk assessment

19. None

Background papers

20. None

Appendices

Appendix A – BCP Council tax base 2022/23

Appendix B – Parish, town and neighbourhood council and charter trustee tax bases 2022/23

Appendix A – BCP Council tax base 2022/23

BAND	Disab A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total Properties	0.0	26,721.0	33,947.0	53,931.0	35,648.0	21,642.0	9,267.0	5,669.0	1,253.0	188,078.0
Exempt Properties	0.0	1,756.0	657.0	1,418.0	1,632.0	335.0	138.0	57.0	20.0	6,013.0
Demolished Dwellings	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	1.0
No. of chargeable dwellings subject to disabled reduction	0.0	18.0	56.0	231.0	176.0	160.0	96.0	54.0	50.0	841.0
No. of dwellings effectively subject to Council Tax for this band by virtue of disabled relief	18.0	56.0	231.0	176.0	160.0	96.0	54.0	50.0	0.0	841.0
No. of dwellings entitled to a 25% discount	11.0	15,817.0	14,964.0	16,343.0	9,487.0	4,982.0	1,906.0	773.0	146.0	64,429.0
No. of dwellings entitled to a 25% discount as all but one resident being disregarded for Council Tax purposes	0.0	208.0	365.0	599.0	379.0	228.0	73.0	39.0	2.0	1,893.0
No. of dwellings entitled to a 50% discount due to all residents being disregarded for Council Tax purposes	1.0	22.0	31.0	61.0	62.0	40.0	45.0	60.0	25.0	347.0
No. of dwellings classed as 2nd home or empty with 50% discount	0.0	388.0	3.0	3.0	2.0	4.0	2.0	0.0	0.0	402.0
No. of dwellings classed as empty and being charged the Empty Home Premium @ 100%	0.0	132.0	110.0	93.0	52.0	26.0	26.0	19.0	4.0	462.0
No. of dwellings classed as empty and being charged the Empty Home Premium @ 200%	0.0	14.0	15.0	9.0	6.0	2.0	1.0	1.0	0.0	48.0
No. of dwellings classed as empty and being charged the Empty Home Premium @ 300%	0.0	10.0	6.0	5.0	4.0	3.0	6.0	0.0	0.0	34.0
Total number of dwellings receiving a discount	12.0	16,435.0	15,363.0	17,006.0	9,930.0	5,254.0	2,026.0	872.0	173.0	67,071.0
Total number of dwellings being charged a premium	0.0	156.0	131.0	107.0	62.0	31.0	33.0	20.0	4.0	544.0
Reduction in taxbase as a result of the Family Annexe discount	0.0	29.9	0.8	0.0	1.5	0.0	0.0	0.0	0.0	32.2
Number of dwellings where there is a liability to pay 100% Council Tax	6.0	8,412.0	17,971.0	35,345.0	24,008.0	15,958.0	7,027.0	4,716.0	1,006.0	114,449.0
Number of dwellings with reduction under the Local Council Tax Reduction Scheme	5.9	5,776.6	5,221.3	4,772.3	1,435.7	428.3	98.1	24.9	0.0	17,763.1
Total equivalent number of dwellings after discounts, premiums, exemptions and disabled relief	8.9	15,175.3	24,551.7	43,544.2	30,140.3	19,529.2	8,515.6	5,371.1	1,137.5	147,973.8
Estimated number of additions	0.0	74.0	148.0	148.0	222.0	111.0	22.2	14.8	0.0	740.0
Net Total	8.9	15,249.3	24,699.7	43,692.2	30,362.3	19,640.2	8,537.8	5,385.9	1,137.5	148,713.8
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Band D equivalents	4.9	10,166.2	19,210.9	38,837.5	30,362.3	24,004.7	12,332.4	8,976.5	2,275.0	146,170.4
MOD Properties										155.4
Less 2.4% losses										146,325.8
										-3,511.8
Tax Base 2022/23										142,814.0

Appendix B – Parish, town and neighbourhood council and charter trustee tax bases 2022/23

Parish / Town / Charter Trustee	Gross tax base	Tax Base after Collection Rate
Burton	1,630.8	1,591.6
Hurn	245.4	239.5
Christchurch Town Council	12,446.1	12,147.4
Highcliffe and Walkford	6,609.3	6,450.7
Unparished Christchurch	20.5	20.0
Throop and Holdenhurt Parish	304.7	297.3
Bournemouth Charter Trustee	65,513.2	63,940.9
Poole Charter Trustee	59,555.8	58,126.6
Total	146,325.8	142,814.0