

Cabinet Report



Report of Head of Finance

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To: CABINET on 3 December 2021

To: COUNCIL on 8 December 2021

Council tax base 2022/23

Recommendations

That Cabinet recommends Council to:

1. Approve the report of the head of finance for the calculation of the council's tax base and the calculation of the tax base for each parish area for 2022/23.
2. Agree that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as its council tax base for the year 2022/23 is 55,362.8
3. Agree that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as the council tax base for the year 2022/23 for each parish be the amount shown against the name of that parish in **Appendix A** of the report of the head of finance to Cabinet on 3 December 2021

Purpose of Report

1. The purpose of this report is to ask Cabinet to recommend the council tax base for 2022/23 to Council for approval.

Corporate Objectives

2. The calculation of the tax base is a legal requirement and an essential part of the tax setting process which helps to achieve the council's corporate objectives.

Background

3. Before the council tax can be set by the council, a calculation has to be made of the council tax base, which is an estimate of the taxable resources for the district as a whole and for each parish area.
4. The council tax base for the district has to be notified to Oxfordshire County Council and the Police and Crime Commissioner by 31 January 2022. Each parish and town council is also notified of the figure for its area.
5. The legislation requires that the council tax base is approved by full council or a non-executive body with delegated powers. No such delegation exists, so cabinet is therefore asked to recommend to council the schedule set out in **Appendix A** as the council tax base for the district as a whole and for each parish area.

Options - Calculation of the tax base

6. The starting point for the calculation is the total number of dwellings and their council tax band.
7. The council then allows for the following information, for each band:
 - (a) dwellings which will be entirely exempt, so no tax is payable (e.g. those occupied entirely by students)
 - (b) dwellings which will attract a 25 per cent reduction (e.g. those with a single adult occupier)
 - (c) dwellings which will attract a 50 per cent reduction (e.g. those where all the adult residents qualify for a reduction)
 - (d) dwellings which will be treated as being in a lower band because they have been adapted for a severely disabled person. The regulations provide methodology to take account of the reduction available to those in band A dwellings
 - (e) dwellings which will be on the valuation list, but which attract discounts or disablement relief or are exempt, for only part of the year
8. Each band is then converted into "band D equivalents" by applying the factor laid down by legislation. For example, a band A dwelling is equal to $\frac{2}{3}$ of a band D dwelling and is therefore multiplied by $\frac{2}{3}$ to arrive at the band D equivalent figure, whilst a band H dwelling is equal to twice a Band D dwelling and is therefore multiplied by two to arrive at the Band D equivalent figure. All these are then added together to give a total of band D equivalents.
9. A final adjustment is required to allow for non-collection. The council is required to decide what its collection rate is likely to be and apply this to its council tax base. For the 2021/22 tax the council assumed 98 per cent would eventually be collected and it is proposed to use 98 per cent again in 2022/23.

Taxbase for 2022/23

10. Based on the assumptions detailed above, the council tax base for 2022/23 is **55,362.8**

11. Similar calculations are required for each parish in order to calculate the proportion of the district's tax base which relates to its area. A schedule of the tax base for each parish is set out in **Appendix A**.
12. To calculate the council tax amounts payable per property band for the council, its council tax requirement (i.e. the amount of council tax to be raised) is divided by the Band D equivalent (taxbase). This will be finalised during January and February, culminating in the council tax being set by council on **16 February 2022** (this date is subject to the council being notified of the major precepting authorities' council tax requirements).

Climate and ecological impact implications

13. There are no direct climate and ecological implications arising from this report

Financial Implications

14. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. For Vale, the position reflected in the council's medium-term financial plan (MTFP) as reported to Full Council in February 2021 showed that the council is due to receive £2.6 million less in revenue funding than it plans to spend in 2021/22 (with the balance coming from reserves including unallocated New Homes Bonus).
15. This funding gap is predicted to increase to over £5 million by 2025/26. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisance of the need to eliminate this funding gap in future years.
16. The financial implications and calculations for the taxbase are set out in the body of the report.

Legal Implications

17. These are set out in the body of the report.

Risks

18. The council's methodology for calculating the taxbase involves basing the calculation on actual dwellings at a certain point in time, rather than forecasting on potential new dwellings that may be built in the future. Because of this the risk exposure is considered to be low.

Conclusion

19. As covered above, the calculation of the tax base is a legal requirement and it is asked that Cabinet recommends the council tax base for 2022/23 to Council for approval in accordance with Appendix A.

Background Papers

None

Appendix A

PARISH COUNCIL TAX BASES - 2022-23

PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2022-23	NUMBER OF DWELLINGS 2021-22	PARISH TAX BASE 2022-23	PARISH TAX BASE 2021-22
ABINGDON	14,989	14970	12,384.5	12,359.2
APPLEFORD	147	146	165.6	159.6
APPLETON WITH EATON	402	402	459.3	448.1
ARDINGTON AND LOCKINGE	223	220	222.7	218.7
ASHBURY	259	259	276.7	269.9
BAULKING	40	40	48.6	49.3
BESSELSLEIGH	47	28	54.8	34.6
BLEWBURY	814	812	747.2	737.6
BOURTON	138	136	152.0	148.8
BUCKLAND	265	260	335.8	322.0
BUSCOT	87	87	87.8	89.8
CHARNEY BASSETT	126	126	152.7	151.3
CHILDREY	228	227	240.6	242.5
CHILTON	674	670	693.5	687.0
COLESHILL	73	74	68.2	68.1
COMPTON BEAUCHAMP	30	30	38.5	37.9
CUMNOR	2,811	2787	3,011.6	2,980.4
DENCHWORTH	82	82	85.3	83.4
DRAYTON	1,271	1249	1,199.1	1,169.6
EAST CHALLOW	438	403	374.8	346.4
EAST HANNEY	523	460	576.0	512.0
EAST HENDRED	606	604	627.3	622.3
EATON HASTINGS	35	35	34.6	34.7
FARINGDON	3,846	3785	3,131.3	3,060.1
FERNHAM	102	97	117.2	110.9
FRILFORD	100	93	139.1	124.9
FYFIELD AND TUBNEY	202	198	242.7	237.1
GARFORD	70	70	82.6	83.8
GOOSEY	57	57	66.4	65.8
GREAT COXWELL	160	138	189.9	166.2
GROVE	3,672	3465	3,096.8	2,916.6
HARWELL	2,241	2181	2,033.6	1,959.6
HATFORD	37	36	46.5	46.3
HINTON WALDRIST	153	153	154.3	154.3
KENNINGTON	1,780	1771	1,714.0	1,696.2
KINGSTON BAGPUIZE AND SOUTHMOOR	1,656	1532	1,674.5	1,546.4
KINGSTON LISLE	112	112	120.1	119.2
LETCOMBE BASSETT	79	79	93.8	93.2
LETCOMBE REGIS	386	385	361.5	361.7
LITTLE COXWELL	70	70	80.8	77.2
LITTLEWORTH	97	97	122.0	117.9
LONGCOT	237	230	243.0	232.0
LONGWORTH	248	244	281.3	275.2
LYFORD	23	23	26.0	26.6
MARCHAM	935	928	931.4	921.8
MILTON	660	588	628.9	540.1
NORTH HINKSEY	2,331	2293	1,975.1	1,931.6
PUSEY	29	29	38.7	37.7
RADLEY	1,059	1008	937.7	886.4
ST HELEN WITHOUT	852	851	850.3	832.7
SHELLINGFORD	87	87	85.4	85.7
SHRIVENHAM	1,364	1240	1,361.8	1,250.7
SOUTH HINKSEY	176	177	202.9	201.5
SPARSHOLT	140	142	155.8	156.7
STANFORD IN THE VALE	1,045	1022	969.1	927.5
STEVENTON	933	931	878.3	881.2
SUNNINGWELL	384	383	453.3	449.0
SUTTON COURTENAY	1,281	1271	1,212.3	1,189.3
UFFINGTON	365	364	364.9	362.4
UPTON	181	176	214.1	212.8
WANTAGE	6,049	5820	5,087.3	4,885.7
WATCHFIELD	1,128	1125	1,033.6	1,020.9
WEST CHALLOW	97	94	110.4	108.1
WEST HANNEY	260	259	302.1	299.6
WEST HENDRED	149	149	166.3	161.8
WOOLSTONE	62	62	78.3	77.9
WOOTTON	1,199	1197	1,185.0	1,169.7
WYTHAM	73	72	85.2	83.9
TOTAL	60,475	59191	55,362.8	53,919.1