

Meeting: Council

Date: 9 December 2021

Wards Affected: All Wards

Report Title: Council Tax Base 2022/23

Is the decision a key decision? Yes

When does the decision need to be implemented?

Executive Lead Contact Details: Councillor Darren Cowell, Cabinet Member for Finance, Darren.Cowell@torbay.gov.uk

Supporting Officer Contact Details: Martin Phillips, Chief Finance Officer, 01803 207285, Martin.Phillips@torbay.gov.uk

1. Purpose of Report

- 1.1 The Council is required to determine its Tax Base for Council Tax purposes for 2022/23 during the period 1 December 2021 to 31 January 2022 and the level of Council Tax subsequently set must use this base figure. A Tax Base calculation is provided in Appendix 1 for an appropriate decision to be made.
- 1.2 The Council, as a billing authority, is required to calculate a separate Tax Base for the Brixham Town Council area. A Tax Base calculation for the area is provided in Appendix 2 for an appropriate decision to be made.

2. Reason for Proposal and its benefits

- 2.1 The calculation of the Council Tax Base for both Torbay and Brixham Town Council is a statutory requirement in the annual budget setting process.

For more detailed information on this proposal please refer to the supporting information.

3. Recommendation(s) / Proposed Decision

- 3.1 **That the calculation of the Torbay Council Tax Base for the year 2022/23 be approved as shown in Appendix 1.**
- 3.2 **That the calculation of the Brixham Town Council Tax Base for the year 2022/23 be approved as shown in Appendix 2.**
- 3.3 **That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as its**

Council Tax base for the year 2022/23 should be 46,194.82. (Dependant on approval of 3.1).

- 3.4 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as the Council Tax base for Brixham Town Council for the year 2022/23 should be 6,185.57. (Dependant on approval of 3.2).**

Appendices

Appendix 1	The calculation of Torbay Council Tax Base 2022/23
Appendix 2	The calculation of Brixham Town Council Tax Base 2022/23

Supporting Information

1. Position

Taxbase

- 1.1 The Council is required by the 31st January to establish a base figure for the purpose of setting the level of Council Tax each year – the “Tax Base”. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.2 The Regulations require this calculation to be made between 1st December 2021 and 31st January 2022 and for this figure to be notified to precepting authorities by the 31st January 2022. For the year commencing 1st April 2022 these will be the major precepting authorities of Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and as a local precepting authority, Brixham Town Council.
- 1.3 Torbay Council, together with Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and Brixham Town Council are required to use the tax base calculated by Torbay Council, as the billing authority, to determine their basic amounts of Council Tax for 2022/23.
- 1.4 The calculation of the tax base is prescribed by statute. It reflects the aggregate of the “relevant amounts” for each valuation band (including the impact from Council Tax Support Scheme) multiplied by the anticipated collection rate for the year. The calculation for the Council's tax base is shown in Appendix 1 and the calculation for Brixham Town Council is shown in Appendix 2.
- 1.5 The calculation of the relevant amount begins with the actual number of dwellings on the “relevant date”. For 2022/23 this is the 30th November 2021 and this is the date that must be used. This number is adjusted to make allowance for estimated variations to the list in the course of the year and for the impact of allowed discounts to certain classes of dwellings.
- 1.6 The impact of the Council Tax Support Scheme including the impact of the exceptional hardship scheme, which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions divided by the estimated Council Tax for that band.
- 1.7 These are then converted into Band “D” equivalents to produce the “relevant” amounts prescribed by the Regulations.
- 1.9 The billing authority then estimates its Council Tax Collection Rate, which is the percentage of 2022/23 Council Tax demands which it predicts will be paid into the Collection Fund during 2022/23. The in-year Collection rate estimated for 2022/23 is 96.0% and this is reflected in the Tax Base calculation. Any tax collected more than 96.0% for the billing year 2022/23 and prior years will be reflected in the annual Collection Fund surplus.

- 1.10 The taxbase reflects a 1% increase in the collection rate in 2022/23 compared to 2021/22. As mitigation to the ongoing economic impact of COVID on the Council's council tax collection rates the Council will continue to allocate a contingency in its 2022/23 budget equal to 1% of collection. If required, this contingency can be used to fund the Council's share of any collection fund deficit lower than a 96% in year collection rate.
- 1.11 The calculated Council's tax base for 2022/23 of 46,194.82 compares with the 2021/22 tax base of 45,464.53, a 1.6% increase. This increase primarily reflects the improved collection rate.
- 1.12 For the calculation of the council tax due to Brixham Town Council a Tax Base must be determined by Torbay Council, as the billing authority. The tax base for Brixham Town Council is and the calculation is shown in Appendix 2.
- 1.13 The calculated Brixham Town Council's tax base for 2022/23 of 6,185.57 compares with the 2021/22 tax base of 6,115.06 a 1.2% increase.

2 Technical Adjustments

- 2.1 The taxbase will reflect the approved 2022/23 Council Tax Support Scheme. For 2022/23 there are no new adjustments to the calculation of the taxbase.

3. Possibilities and Options

- 3.1 The taxbase has to be set by end of January 2022. The Council meeting on 9 December is the only Council meeting scheduled for this period therefore the taxbase is being presented for approval at that meeting.

4. Fair Decision Making

- 4.1 Not applicable

5. Public Services (Social Value) Act 2012

- 5.1 Not applicable

6. Risks

- 6.1 If a taxbase not approved by end of January 2022 then the Council is unable to set a budget, and this will impact on other precepting bodies.