



REPORT of DIRECTOR OF RESOURCES

**to
COUNCIL
17 DECEMBER 2020**

COUNCIL TAX BASE 2021 / 22

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to set the tax base for Council Tax by the 31 January in the financial year preceding that to which the tax base applies.
- 1.2 The Council has to notify its tax base calculations to the Essex County Council, Essex Fire Authority and the Police and Crime Commissioner for Essex and Parish / Town Councils by 31 January.

2. RECOMMENDATION

That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012 the amount calculated by Maldon District Council as its council tax base for the 2021/22 year shall be set at 24,959.1.

3. SUMMARY OF KEY ISSUES

- 3.1 The Local Government Finance Act 1992 amended by S84 of the Local Government Act 2003 set out the requirements allowing each local authority to make its arrangements for adopting the Council Tax base. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012:2914) provides amended statutory guidance to incorporate the changes resulting from the introduction of the Local Council Tax Support Scheme (LCTSS).
- 3.2 The Council Tax varies between the different bands according to proportions laid down in legislation. These proportions are based around Band D and are fixed so that the bill for a dwelling in Band A will be a third of the bill for a dwelling in Band H. Applying the relevant proportion to each band's net property base produces the number of Band D equivalent properties for the area.
- 3.3 The Council is required to approve the Council Tax Base figure for 2021 / 22 by 31 January 2020. The Council Tax Base figure is an integral part of the calculations for setting the level of Council Tax, and is the number of chargeable properties adjusted for certain factors, e.g. single persons' discounts, local council tax support, exemptions etc.

- 3.4 The tax base is calculated as determined in The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, with information as at 30 November 2020. **APPENDIX A** shows the calculation of the tax base whilst **APPENDIX B** sets out the tax base for each Parish / Town Council.
- 3.5 The Parish / Town Councils have been notified of their individual estimated tax base so that they can set their Parish / Town precepts that they wish to and calculate their Band D Council Tax for 2021 / 22. The deadline for the receipt of Parish / Town Council precepts is 8 January 2021.
- 3.6 It should be noted that whilst calculated and shown separately in **APPENDIX B** the following Parishes tax bases are combined to set their precept and therefore their Band D Council Tax:
- Asheldham and Dengie;
 - Hazeleigh and Woodham Mortimer;
 - Langford and Ulting.
- 3.7 The collection rate used in the tax base calculation for 2021 / 22 is 97.0%; which is lower than the budgeted collection rate of 98.3% set for the current year due to ongoing uncertainty caused by the Coronavirus pandemic.
- 3.8 Another impact of Coronavirus is that the estimated total number of residents qualifying for local council tax support has increased from 2,133 to 2,261, which reduces Maldon District Council's council tax base.
- 3.9 The Council Tax Base figure set for the current year (2020 / 21) is 25,090.8, so the new figure for the forthcoming year represents a decrease of 131.7 or 0.52%. Again, the key reasons for the decrease is the expected fall in collection rate of 1.3% and the increase in LCTS of 6.3%. These more than offset the number of new dwellings that have been added to the valuation list since the calculation was undertaken in November 2019 together with the annualised estimate of the number of new dwellings that is expected will be added to the valuation list and becoming chargeable during 2021 / 22.

4. CONCLUSION

- 4.1 The annual setting of the Council's tax base is a prerequisite to the setting of the council tax for the following year.

5. IMPACT ON STRATEGIC THEMES

- 5.1 Declaration of the Councils tax base is a technical exercise necessary to meet statutory obligations rather than strategic themes. The generation of additional income through the maximisation of the Council's tax base indirectly supports all strategic themes.

6. IMPLICATIONS

- (i) **Impact on Customers** – None identified.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – There are no risks associated with this report.
- (iv) **Impact on Resources (financial)** – The decrease in tax base will decrease the Council's council tax revenue for 2021 / 22.
- (v) **Impact on Resources (human)** – None identified.
- (vi) **Impact on the Environment** – None identified.

Background Papers: None.

Enquiries to: Lance Porteous, Lead Finance Specialist, (Tel: 01621 854477).