

Report to Cabinet

Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2021/22

Portfolio Holder: Report of Councillor Abdul Jabbar MBE,
Deputy Leader & Cabinet Member (Finance and Green)

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Reason for Decision

This report presents to Cabinet the Council Tax Tax Base and provisional Non-Domestic Rates (NDR) Tax Base forecast for 2021/22 which will underpin the forthcoming Council Budget and Medium-Term Financial Strategy scheduled for consideration at Budget Council on 4 March 2021.

The report also seeks delegated authority to finalise the 2021/22 Non-Domestic Rates (Business Rates) forecast in order to reflect the information contained in the Provisional Local Government Finance Settlement (PLGFS) for 2021/22 and up to date Non-Domestic Rates details to be submitted to Central Government via the annual NNDR 1 return by the statutory deadline of 31 January 2021.

Finally, the report seeks approval to delegate the final decision to join the 2021/2 Pool for Business Rates purposes with other Greater Manchester Districts, Cheshire East & Cheshire West and Chester Councils. Oldham has pooled Business Rates with neighbouring Authorities since 2015/16. A final decision on pooling cannot be made until the PLGFS is received. The PLGFS marks the start of a 28-day period for confirming Oldham's membership within the 2021/22 Business Rates Pool and delegation is requested as the timing of decision making may not align with future Cabinet meetings.

Executive Summary

This report sets out information on the Council Tax Tax Base for 2021/22 using the most up to date valuation list and all other information and estimates available.

The total number of chargeable properties included in the Council Tax Tax Base calculation in Oldham for 2021/22 is 95,213. This figure is reduced to 86,254.25 after allowing for discounts and exemptions and translates to the equivalent of 68,469.9 Band D properties. After applying adjustments for the Local Council Tax Support scheme offset by the additional charging for empty properties and an anticipated increase in the number of properties to be included in the valuation list over the forthcoming year, the number of Band D equivalent properties reduces to 59,121.6. The final Tax Base after the application of the anticipated collection rate of 96.75% is 57,200 which is a decrease of 463 when compared to the Council Tax Tax Base for 2020/21 of 57,663.

The 2021/22 Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,699 and 5,479 respectively, have been calculated using the same methodology.

Statute requires local billing authorities to prepare and submit to the Ministry of Housing, Communities and Local Government (MHCLG) a locally determined and approved Business Rates forecast through the NNDR 1 return by 31 January each year. This forecast will be used to determine the 2021/22 “demand” and payment schedule for Business Rates between Oldham Council and the Greater Manchester Combined Authority. Being a participant in the Greater Manchester 100% Rates Retention Pilot Scheme (now extended by at least a further year until 31 March 2022) means the Council no longer pays a share of Business Rates to Central Government. Instead, Oldham currently retains 99% of the income with 1% being paid to the Greater Manchester Combined Authority for Fire and Rescue services.

The estimated rating income for 2021/22 attributable to Oldham Council is currently £49.640m which is a reduction of £0.784m compared to 2020/21. Delegation is sought to enable the Business Rates forecast to be updated to take account of the 2021/22 PLGFS and up to date Non-Domestic Rates information, enabling the submission to Central Government of the annual NNDR 1 return by the statutory deadline of 31 January 2021.

Members will recall that Oldham has pooled Business Rates revenues with other Greater Manchester districts and the two Cheshire Unitary Authorities since 2015/16 (Cheshire West & Chester joined the pool from 2016/17). The aim of pooling is to retain the benefits of any Business Rates growth within Greater Manchester for the benefit of the region. This report seeks approval to continue these arrangements into 2021/22 (subject to the notification of the 2021/22 PLGFS).

It is important to highlight to Members that the preparation of Council Tax and Business Rates taxbases is being undertaken in a period of unprecedented uncertainty and volatility. The COVID-19 pandemic has reduced the Council Tax and Business Rates income collected in 2020/21 to the extent that an income deficit is projected at the end of 2020/21 (this is initially accounted for in the Collection Fund).

in 2020/21, the Government significantly extended business rates reliefs to businesses and introduced a Council Tax Hardship grant. Both these initiatives are currently anticipated to conclude at the end of the year, but although these have had a positive impact on the Collection Fund in year, a deficit still prevails.

The Government has provided a means for the impact of this deficit to be addressed over 3 financial years and has advised of other support for in relation to reduced Council Tax and Business Rates income. This support is to be announced in the Spending Review which is due later this month. However, it is with regard to the propensity for change, that Members are asked to consider this report.

Recommendations

It is recommended that:

- 1) Cabinet approves:
 - a) The Council Tax Tax Base for 2021/22 at 57,200 Band D equivalent properties.
 - b) The latest estimate for 2021/22 Business Rates revenue that is attributable to Oldham Council as being £49.640m.
- 2) Cabinet notes the Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,699 and 5,479 respectively.
- 3) Cabinet delegates the decision to vary the final Business Rates forecast and hence the Business Rates Tax Base, if required, to the Deputy Leader and Cabinet Member for Finance and Green in consultation with the Director of Finance.
- 4) Cabinet delegates to the Deputy Leader and Cabinet Member for Finance and Green in consultation with the Director of Finance, the final decision of the Council's membership of the proposed Greater Manchester, Cheshire East & Cheshire West and Chester Councils Business Rates Pool for 2021/22 (subject to the information contained in the 2021/22 Provisional Local Government Finance Settlement).

Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2021/22**1 Background**

- 1.1 The Local Government Finance Act 1992 (as amended for the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012) requires the Council as the Billing Authority to calculate and approve the Council Tax Tax Base for 2021/22 based on the valuation list and other information and estimates available. The method of calculation is contained in the regulations.
- 1.2 This report presents for approval, Oldham Council's Council Tax Tax Base for 2021/22 and the extracted Tax Bases for Saddleworth and Shaw & Crompton Parish Councils. This will enable Tax Base information to be made available to the two Parish Councils in addition to the Greater Manchester Combined Authority (GMCA) in relation to the major precepting functions.
- 1.3 The Council will use the Council Tax Tax Base for 2021/22 in setting the Council Tax and determining the level of Council Tax income for 2021/22.
- 1.4 Notification of the Council Tax Tax Base is provided to Major Precepting Authorities by the statutory deadline of 31 January 2021. The GMCA is responsible for determining two major precepts including the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire and Rescue Services).
- 1.5 The Non-Domestic Rating (Rates Retention) Regulations 2013 set out a timetable for informing the Government and precepting Authorities of the Business Rates revenue calculation. The Council is required to submit a Government return (NNDR 1) by 31 January in the year prior to the financial year for which the calculation is being made. The return estimates the amount of Non-Domestic Rate (NDR) that it is expected will be collected in the following financial year. Given the legislative changes introduced from April 2013 and the current 100% Business Rates Retention Pilot arrangements, the estimates now take on a higher profile as a result of the Council retaining a greater proportion of the business rates collected.
- 1.6 Consequently, the Council must now formally approve the NDR forecast in a manner similar to the Council Tax Tax Base.

2 Current PositionCollection Fund Forecast Outturn Position for 2020/21

- 2.1 The Collection Fund forecast outturn position is presented within the revenue monitoring reports considered by Cabinet throughout the year. As explained later in this report, it is exceptionally challenging to accurately forecast Council Tax and Business Rates revenues over the short to medium term.

- 2.2 As part of its response to COVID-19, the Government announced in the Budget on 11 March 2020 that it would provide Local Authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area. The Government has awarded Oldham Council Hardship Grant Funding of £3,015,434. The funding awarded is expected to provide additional support to help with Council Tax for working age claimants of Council Tax Reduction (CTR) up to a maximum of £150. Cabinet of 23 April 2020 approved the operation of the Hardship Fund in Oldham and its introduction had the impact of reducing the actual level of Council Tax requiring collection in 2020/21 by up to £3,015,434 (with the grant providing compensation). Even though the level of Council Tax to collect has fallen, anticipated collection levels are below that anticipated. Arrears have increased and the rise in the number of Council Tax Reduction claimants has also reduced the amount that can be collected. This has led to an in-year Council Tax deficit position.
- 2.3 The Chancellors Budget also included the extension of Business Rates discounts giving a 100% discount in respect of retail, leisure, hospitality and nursery properties. Business Ratepayers for these businesses were therefore not required to pay any Business Rates and the Government instead compensated the Council for the loss of income via a grant. This grant is currently estimated to be £25.463m. It is important to note that and even though the amount to be collected has been considerably reduced, due to the pandemic and the challenging economic environment, collection has been below that anticipated. This has also led to an in-year Business Rates deficit position.
- 2.4 In addition, for Collection Fund deficits attributable to 2020/21 the MHCLG has introduced new legislation (discussed at paragraph 2.5) allowing Authorities to spread the impact of any 2020/21 Collection Fund deficit across three financial years.
- 2.5 The intention to implement the three year local tax collection fund deficit phasing was announced by the Secretary of State on 2 July 2020. The Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 were laid before Parliament on 5 November 2020, and came into force on 1 December 2020. The regulations amend the rules governing the apportionment of collection fund surpluses and deficits for Council Tax and non-domestic rates set out in the Local Authorities (Funds) (England) Regulations 1992 and the Non-Domestic Rating (Rates Retention) Regulations 2013, allowing Local Authorities to repay collection fund deficits over 3 financial years rather than the usual period of 1 year.
- 2.6 At this stage, for budget setting purposes and for the purpose of notifying the Greater Manchester Combined Authority (GMCA) as major preceptor, the Collection Fund in year forecast outturn position for both Council Tax and Business Rates for 2020/21 will be an estimated deficit of approximately £7.110m of which the Councils share is £6.576m. As discussed above the budgetary impact of this this will be phased over the three financial years 2021/22 – 2023/24, approximately £2.192m per annum. For 2021/22 this deficit will be somewhat mitigated by a prior year collection fund surplus of

£2.031m, therefore the net impact on the 2021/22 budget is a deficit share of £0.161m.

- 2.7 The statutory deadline by which preceptors must be notified of the 2020/21 Collection Fund surplus/deficit is 15 January 2021. Appropriate formal notification will be provided by the required due date.

Calculation of the Council Tax Tax Base for 2021/22

- 2.8 The Council Tax Tax Base determines the Council Tax revenue generated at a given collection rate, for each £1 of Council Tax levied. It is the estimated full year equivalent number of chargeable dwellings. This is expressed as the equivalent number of Band D dwellings with two or more liable adults.
- 2.9 In October each year the Government requires the submission of a return, the CTB1, and a version of this is used as the basis for the calculation of the Tax Base. Using this return, Appendix A shows the total number of dwellings on the valuation list in Oldham is 97,138. Allowing for exemptions, demolitions and disabled relief dwellings, this number reduces to 95,213 chargeable dwellings which are then allocated across the nine Council Tax Bands. Some of these chargeable dwellings receive discounts from Council Tax (e.g. dwellings occupied solely by students) whilst single person households pay only 75% of the charge otherwise payable. The number of dwellings is therefore adjusted to reflect these discounts and exemptions, giving a figure of 86,254.25 dwellings.
- 2.10 The nine Council Tax Valuation bands provide the basis for the Tax Base calculation, with the number of chargeable dwellings in each band being calculated through to its 'Band D equivalent'. A bill for a Band A property is equivalent to 6/9 for that of a Band D property whilst a Band H property is equivalent to 2 times (18/9) of a Band D property. The application of the Band D equivalent calculation therefore reduces the Tax Base to 68,469.9.
- 2.11 A further adjustment is required to the Tax Base due to the Local Council Tax Reduction Scheme (LCTRS). The scheme replaced Council Tax Benefit and was introduced for the first time in 2013/14. The LCTRS is treated as a discount rather than a benefit and therefore reduces the Tax Base. The Council has chosen not to consult on changing the LCTRS for 2021/22 and therefore intends to maintain discounts at the 2020/21 level, with discount anticipated to continue to be capped at 85% of a Band A property.
- 2.12 The summarised method of calculating the 2021/22 Tax Base is shown in Appendix A. This shows that, taking the above issues into account, the Tax Base would be 58,969.6 at a 100% collection level but will be 57,200 at a collection rate of 96.75%. The Tax Base has decreased by 463 compared to the figure for 2020/21 (57,663), largely reflecting an increase in the number of people claiming Council Tax Reduction as a result of the Coronavirus pandemic.

Estimated Collection Rate

2.13 A recent review of collection levels has been undertaken to inform the 2021/22 budget process. This review has been informed by:

- The impact of the LCTRS on Council Tax revenues. Evidence indicates that entitlement to benefit has been higher than initial projections, linked closely to the current pandemic situation, similarly collection rates in 2020/21 are lower than the original expectations.
- The full extent of the adverse impact on collection rates as a direct result of the coronavirus pandemic has been masked by the Hardship Fund initiative outlined in 2.2 which allocated £150 against Council Tax bills for residents on the LCTRS (therefore 100% collection of this element of Council Tax). There has been no announcement that the Hardship Fund initiative will continue into the next financial year.
- The general economic climate and pressures on households to manage their finances which has led to an increase in the number of Council Tax payers falling into arrears;
- Initiatives to reduce non-payment were not pursued in the early part of the year due to the COVID-19 pandemic and its impact on households. These initiatives have subsequently been resumed.

2.14 In view of the above it is considered appropriate to reduce the anticipated collection rate by 0.25% to 96.75% (compared to 97% in 2020/21). The Council will however continue to closely monitor the collection rate and tax base position to determine whether the current uncertainty around the Covid-19 pandemic has any impact on the Council Tax collection rate and Collection Fund position.

Parish Council Tax Bases

2.15 The Tax Base calculated for 2021/22 for the Parish Councils of Saddleworth and Shaw & Crompton are 8,699 and 5,479 respectively. This represents a reduction for Saddleworth of 8 Band D equivalent properties and for Shaw & Crompton a reduction of 15 Band D equivalent properties when comparing totals to the Parish Tax Bases for 2020/21. The Tax Bases have been calculated on a basis consistent with those for the Borough as a whole.

2.16 The Council provides grant compensation to the two local Parish Councils for losses associated with the introduction of Local Council Tax Reduction Schemes in 2013/14. Whilst Central Government originally provided grant funding in 2013/14 to cover these losses, the funding was subsequently rolled into Revenue Support Grant and cut year on year. Between 2016/17 and 2019/20, the grant payable to Parish Council's was scaled down to match continued reductions in Revenue Support Grant. As advised in the Tax Base report for 2019/20 (approved by Cabinet on 17 December 2018), grants payable to the Parish Councils will be maintained at 2020/21 levels. The amount of grant payable to each Parish for 2021/22 is set out in the table below.

	2021/22 £000
Saddleworth Parish Council	13
Shaw & Crompton Parish Council	5
Total Parish Grant Payable	18

Business (Non-Domestic) Rates

- 2.17 Local billing authorities are required to prepare and submit to the MHCLG a locally determined and approved Business Rates forecast through the NNDR 1 return by the statutory deadline of 31 January each year. This forecast is used to determine the 2021/22 “demand” and payment schedule for Business Rates revenues between Oldham Council and the GMCA. The GMCA determines the Mayoral General Precept which includes Fire and Rescue functions for which it receives 1% of all Business Rates Revenues collected across Greater Manchester. Under the 100% Rates Retention Pilot scheme arrangements, Central Government does not receive a share of Business Rates revenues. Each year the Council forecasts its allocation for grants in lieu of business rates for the following financial year as part of the NNDR1 return. The initial estimate for 2020/21 was £11.233m. This was quickly rendered obsolete once Central Government announced changes to the mandatory reliefs resulting in additional Retail Discounts and Nursery Reliefs which now total £25.463m.
- 2.18 Business Rates are a highly complex and volatile tax and it is exceptionally difficult to forecast movements over the short to medium term with great accuracy. Since the change to the Business Rates regime in 2013/14 and the revaluation exercise undertaken by the Valuation Office Agency (effective from 1 April 2017), much more uncertainty has been introduced into the setting of Council budgets as the tax base is prone to significant changes and can fluctuate for many reasons; the most common of which are listed below:
- Changes in liability resulting from a change in occupancy;
 - Appeals against rating decisions, the length of time it takes to conclude appeals and the requirement to make an assessment of the cost of appeals prior to settlement;
 - Demolitions and the point at which properties are removed from the rating list;
 - New builds and the point at which rateable occupation is triggered;
 - Changes in building use and alterations to building size or layout;
 - Changes in entitlement to mandatory and/or discretionary reliefs;
 - Action taken by property owners/occupiers to avoid full liability and maximise relief; particularly empty property and charitable relief;
 - Changes in Council policy in relation to discretionary rate relief;
 - Changes in the requirement to provide for doubtful debts.
- 2.19 Fluctuations in Business Rates income are also strongly linked to the performance of the wider economy. In an economic downturn there is a heightened risk of properties being left empty and lower levels of development activity. Conversely, when the economy is more buoyant, business activity and thereby rating income can increase. The advent of the

COVID-19 pandemic has therefore heightened the likelihood of fluctuations in business rates income in 2021/22.

- 2.20 The level and timing of appeals against a rateable value are perhaps the most significant factors that can have an impact on variability in yield. Appeals are dealt with by the Valuation Office Agency (VOA) and can date back many years. Recent information highlights that appeals covering around £42m of rateable value remain unresolved. Total rateable value for the Oldham Billing Area is around £155m meaning appeals currently affect approximately 27% of the overall business rates tax base.
- 2.21 The Check, Challenge & Appeal process introduced by the VOA has tried to incorporate a degree of consistency to the appeals submission process whilst simultaneously seeking to limit the number of 'speculative' claims. Indications suggest the revised process is significantly reducing the number of claims that reach the appeal stage. However, it is not clear whether the process is reducing the real number of appeals or simply causing delay. What is clear is that greater financial provision will need to be made for individual claims that reach the appeal stage as, having been through check and challenge, their probability of securing a rateable value reduction is much greater than under the previous arrangements. Furthermore, nationally, appeals that are currently being considered are effectively test cases that may set precedents which prompt a whole new wave of local appeals or straightforward rateable value reductions.
- 2.22 Recognising the challenges that this volatility presents, the Council has put in place arrangements to monitor Business Rates liability on a monthly basis. The output from these monitoring arrangements shows that net liability tends to reduce as the year progresses from each April. These reductions are the result of:
- Reductions in gross rates payable as outstanding appeals are settled;
 - Increases in mandatory and empty property relief as more claims are submitted and processed as the year progresses.
- 2.23 These trends/movements set against the base position form the basis of the forecast business rates outturn position for 2020/21 and forecast for 2021/22.

Greater Manchester (GM) 100% Business Rates Retention Pilot Scheme

- 2.24 On 1 April 2017, the GMCA, Oldham Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. Under the pilot scheme, additional rates income was initially offset by reductions in other funding streams such as Revenue Support Grant and Public Health Grant in exchange for the local retention of all future growth in Business Rates revenue (rather than just 50% as is the case with the national scheme of rates retention). The pilot scheme has delivered financial benefits for its participants. Oldham's share of these benefits supported the 2020/21 budget by £1.413m. Given the current circumstances, the Council has opted to take a prudent approach and has not assumed any benefit will be available to support the 2021/22 budget. The pilot scheme was originally expected to cease at the end of 2020/21 but has been extended for a further

year to cover 2021/22 due to the Government delaying the introduction of key business rates reforms until at least 1 April 2023.

GM, Cheshire East & Cheshire West and Chester Councils Business Rates Pool 2021/22

- 2.25 Members will recall that Oldham has participated in Business Rates pooling since 2015/16. The aim of pooling is to retain the benefits of any Business Rates growth within Greater Manchester for the benefit of the region. For 2021/22, members of the pool for Business Rates provisionally includes all ten GM districts and Cheshire East and Cheshire West & Chester Councils.
- 2.26 The business rates pooling proposition is such that no Local Authority should be worse off by pooling than it would be if it did not pool. Therefore, if there is any growth in business rates as a result of the economic regeneration activity planned within the borough, the Council would be able to keep its share of that benefit also benefiting from a share in any levy payment that any other levy paying Authority in the pool would normally pay to Central Government.
- 2.27 The fact that Greater Manchester is piloting full Business Rates retention, suggests participating in Business Rates pooling is no longer necessary as there are no additional financial gains to be made. However, participating in such a pool enables Greater Manchester to retain any levy that would otherwise be payable to Central Government and to share in any business rates growth achieved outside of the 100% rates retention pilot scheme area (such as that achieved within the two Cheshire Council areas). A decision on membership cannot be made until the contents of the 2021/22 Provisional Local Government Finance Settlement have been examined and the impact understood. Confirmation of pool membership must be made within 28 days of the receipt of Provisional Local Government Finance Settlement information. It is therefore recommended that Cabinet delegates the final decision of the Council's membership of the proposed Greater Manchester, Cheshire East and Cheshire West & Chester Business Rates Pool for 2021/22 to the Cabinet Member for Finance and Green in consultation with the Director of Finance subject to the contents of the 2021/22 Provisional Local Government Finance Settlement.

Grants in Lieu of Business Rates

- 2.28 It should be noted that the Council receives significant sums from Central Government as compensation for loss of Business Rates revenue resulting from previous national policy changes such as multiplier caps and the introduction of new business rates reliefs and discounts. These 'Section 31' grants for 2021/22 are currently forecast to be worth around £12.170m. However as mentioned in paragraph 2.17 reliefs and discounts can be a particularly difficult area to forecast with changes in government policy resulting in vastly different outcomes to those originally estimated. The current forecast of £12.170m assumes the additional one-year reliefs and discounts will not be repeated in 2021/22.

2021/22 Business Rates Forecast – Conclusion

- 2.29 Having considered the issues above it is clear that many factors are outside the control of the Council. Central Government confirmation that Local Government will continue to be fully compensated for implementing policy announcements made within previous Budgets provides assurance for our short-term forecasts assuming a net neutral financial impact. However, over the long term, the switch to more frequent revaluations and the ongoing results of Business Rates Retention are extremely difficult to assess. However, forecasts for 2021/22 have been prepared on the basis of trends emerging from the monthly monitoring of business rates liability during 2020/21 whilst the announcement of the Spending Review 2020 and the Provisional Local Government Finance Settlement 2021/22 are awaited.
- 2.30 For the purposes of formal decision making, Oldham Council's share of the Business (Non-Domestic) Rates forecast for 2021/22 is presented at £49.640m a reduction of £0.784m compared to 2020/21. This represents the best estimate available at this time and is the assumption underpinning the 2021/22 budget estimates that are currently being reviewed and updated. However, assuming delegation is approved, the final Business Rates forecast for 2021/22 will be confirmed when preparing the submission of the Council's NNDR 1 return in late January 2021. The calculation of the current forecast of £49.640m is summarised in the table below:

Forecast Business Rates Yield	2021/22 £000
Oldham Council Share (99%)	49,640
GMCA Share (for Fire and Rescue functions) (1%)	501
Total Forecast Yield	50,141

3 Options/Alternatives

- 3.1 The Council has little discretion in the calculation of the number of properties incorporated into the Council Tax Tax Base given the legislative framework that is in place. However, there is some discretion in estimating the number of new properties that will be included on the Council Tax register during 2021/22 and the change to the number of claimants of Council Tax Reduction. A prudent view has been taken in this regard. The main area for an alternative approach is over the level of assumed collection rate. An increase in the collection rate would boost the anticipated Council Tax income and a decrease in the rate would decrease income. The Council has chosen to reduce its 2021/22 collection rate to 96.75%. This decision has been influenced by prevailing economic circumstances and current trends in collection rates.
- 3.2 The NNDR1 return generates the figures upon which the Business Rates Tax Base is prepared. It is not therefore appropriate to consider an alternative approach. However, as the figures included on the NNDR1 return on 31 January 2021 may vary from the estimated level, delegation is sought to allow the opportunity to revise the Business Rates forecast and approve a revised and more accurate position for budget setting.

4 Preferred Option

4.1 It is recommended that Members approve the Council Tax Tax Base of 57,200 and an estimate of the Business Rates Tax Base of £49.640m. Delegation to the Deputy Leader and Cabinet Member for Finance and Green in consultation with the Director of Finance is however sought for the final Business Rates Tax Base decision, the final estimated net business rate yield and ultimately the Council's retained Business Rate income for 2021/22.

4.2 It is also recommended that Cabinet approves the Council's membership of the GM, Cheshire East and Cheshire West and Chester Councils Business Rates pool for 2021/22, subject to the review of the outcome of the 2021/22 Provisional Local Government Finance Settlement. If necessary, however, the decision to discontinue pool membership is delegated to the Deputy Leader Cabinet Member for Finance and Green in consultation with the Director of Finance.

5 Consultation

5.1 Indicative Tax Base information has been shared with precepting Authorities to assist them in the budget projections, subject to confirmation by this report.

5.2 The Council will advise the preceptors of the approved Council Tax and Business Rates Tax Bases (as appropriate) by the statutory deadline of 31 January 2021 and will submit the final NNDR1 also by that date.

6 Financial Implications

6.1 Dealt with in full in this report.

7 Legal Services Comments

7.1 It is necessary for the Cabinet to set the Council Tax Tax Base having regards to the appropriate Regulations and to notify that to the relevant precepting bodies. Additionally, it is now required that the Business Rates Tax Base is approved by Cabinet.

8. Co-operative Agenda

8.1 Income generated from Council Tax and Business Rates supports the Council's budget process and hence supports the delivery of the cooperative agenda.

9 Human Resources Comments

9.1 None.

10 Risk Assessments

10.1 There is a risk that if the anticipated Council Tax collection level is too high, there will a shortfall in the income anticipated. This would have an effect on

the budget setting arrangements in future years. With the introduction of the Local Council Tax Reduction Scheme, collection rates are now much more difficult to assess and these will be kept under constant review however the proposed collection rate seeks to minimise the risk with a prudent approach taken to setting the collection level.

- 10.2 There is also a risk that if the anticipated level of Business Rates is not achieved it would lead to budget pressures in future financial years. Hence a prudent approach will be taken in assessing the anticipated business rates income levels.
- 10.3 There are extensive recovery procedures that will ensure that the maximum Council Tax and Business Rates income level is achieved.
- 10.4 The pandemic has increased risk in relation to both Council Tax and Business Rate collection. The Government has in 2020/21 introduced some measures to assist Councils in mitigating some of the risk and further announcements are anticipated. The impact of these measure cannot currently be assessed.

11 IT Implications

- 11.1 None.

12 Property Implications

- 12.1 None.

13 Procurement Implications

- 13.1 None.

14 Environmental and Health & Safety Implications

- 14.1 None.

15 Equality, community cohesion and crime implications

- 15.1 None.

16 Equality Impact Assessment Completed?

- 16.1 Not applicable.

17 Key Decision

- 17.1 Yes.

18 Key Decision Reference

- 18.1 FG-09-20.

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background Papers are contained in Appendix A
Officer Name: John Hoskins
Contact No: 0161 770 1323

20 **Appendices**

20.1 Appendix A Calculation of the Council Tax Tax Base for 2021/22

APPENDIX A

Calculation of Council Tax Tax Base 2021/22 (Based on all properties)

Bands	A reduced	A	B	C	D	E	F	G	H	Total
Total number of Dwellings on the Valuation List		50,639	17,317	16,332	6,990	3,341	1,538	899	82	97,138
Total number of Exempt and Disabled Relief Dwellings on the Valuation List	137	(1,298)	(195)	(346)	(117)	(55)	(16)	(13)	(22)	(1,925)
No. of Chargeable Dwellings	137	49,341	17,122	15,986	6,873	3,286	1,522	886	60	95,213
Less: Estimated discounts, exemptions and disabled relief	(7.75)	(5,673.50)	(1,459.25)	(1,148.25)	(392.50)	(160.75)	(71.75)	(40.25)	(4.75)	(8,958.75)
Total equivalent number of dwellings after discounts, exemptions and disabled relief	129.25	43667.5	15662.75	14837.75	6480.5	3125.25	1450.25	845.75	55.25	86,254.25
Factor stipulated in regulations	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D equivalent	71.8	29,111.7	12,182.1	13,189.1	6,480.5	3,819.8	2,094.8	1,409.6	110.5	68,469.9
Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments – reduction in Band D Equivalents										(10,217.3)
Increase in Band D equivalents in 2021/22 based on estimates of changes in discounts & exemptions and the acceleration of planned housing/ regeneration schemes.										869
Total after LCTSS and other adjustments										59,121.6
Multiplied by estimated collection rate										96.75%
Band D Equivalents										57,200

For information: Parish Council Tax Tax Bases –

Saddleworth 8,699

Shaw & Crompton 5,479