

## Report to Cabinet

# Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2022/23

**Portfolio Holder:** Report of Councillor Abdul Jabbar MBE,  
Deputy Leader & Cabinet Member for Finance and Low Carbon

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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 2022/23 which will underpin the forthcoming Council Budget and Medium-Term Financial Strategy scheduled for consideration at Budget Council on 2 March 2022.

The report also seeks delegated authority to finalise the 2022/23 Non-Domestic Rates (Business Rates) forecast in order to reflect 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 2022.

### Executive Summary

This report sets out information on the Council Tax Tax Base for 2022/23 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 2022/23 is 95,640. This figure is reduced to 86,700.8 after allowing for discounts and exemptions and translates to the equivalent of 68,910.7 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 59,379.8. The final Tax Base after the application of the anticipated collection rate of 96.75% is 57,450 which is an increase of 250 when compared to the Council Tax Tax Base for 2021/22 of 57,200.

The 2022/23 Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,833 and 5,548 respectively, have been calculated using the same methodology.

Statute requires local billing authorities to prepare and submit to the Department of Levelling Up, Housing and Communities (DLUHC) 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 2022/23 “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 which was confirmed for the financial year 2022/23 in the Provisional Local Government Finance Settlement announced on 16 December 2021 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 2022/23 attributable to Oldham Council is currently £48.605m which is a decrease of £2.014m compared to 2021/22. This is however due to Business Rates reliefs being announced thus reducing the sum billed with the Council receiving compensating grant instead. Delegation is sought to enable the Business Rates forecast to be updated to take account of 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 2022.

As the 100% Business Rates retention regime is continuing, the Council has assumed a benefit of approximately £2.720m from the pilot scheme for 2022/23. The Council can retain 50% of this benefit with the balance attributable to the GMCA. The Council’s share, £1.360m will be made available to support the 2022/23 budget whilst the GMCA share will be transferred to a reserve to be paid to the GMCA once the final position has been agreed. These figures will only be confirmed at the end of 2022/23.

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 and recent Government announcements relating to extended retail relief have continued to reduce both the Council Tax and Business Rates income collected in 2021/22 to the extent that an income deficit of £7.741m is projected for the Council at the end of 2021/22 (this is initially accounted for in the Collection Fund). However as Central Government is providing grants in lieu of business rates, specifically for the provision of Extended Retail Relief, current estimates are that there will be grant received of £9.045m which removes the deficit and allows the use of £1.304m of additional resources to support the 2022/23 budget.

## Recommendations

It is recommended that:

- 1) Cabinet approves:
  - a) The Council Tax Tax Base for 2022/23 at 57,450 Band D equivalent properties.
  - b) The latest estimate for 2022/23 Business Rates revenue that is attributable to Oldham Council as being £48.605m.
  - c) The drawing down from the Collection Fund of £2.720m of Business Rates retention gains anticipated for 2022/23, of which the Council will utilise £1.360m (50%)
- 2) Cabinet notes the Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,833 and 5,548 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 Low Carbon in consultation with the Director of Finance.

**Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2022/23****1 Background**

- 1.1 The Local Government Finance Act 1992 (as amended) and 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 2022/23 by 31 January 2022, 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 2022/23 and the extracted Tax Bases for Saddleworth and Shaw & Crompton Parish Councils. This will enable Tax Base information to be made available to the Greater Manchester Combined Authority in relation to major precepting functions and the two Parish Councils in Oldham.
- 1.3 The Council will use the Council Tax Tax Base for 2022/23 in setting the Council Tax and determining the level of Council Tax income for 2022/23.
- 1.4 Notification of the 2022/23 Council Tax Tax Base has to be provided to Major Precepting Authorities by the statutory deadline of 31 January 2022. The GMCA is responsible for determining the two major precepts, 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 100% Business Rates Retention Pilot arrangements which have continued for a further year, 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 formally approve the NDR forecast in a manner similar to the Council Tax Tax Base.

**2 Current Position**Collection Fund Forecast Outturn Position for 2021/22

- 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 The financial monitoring reports have highlighted that there has been an increase in the level of Council tax arrears and therefore an increased deficit on the Council Tax element of the Collection Fund which has to be addressed over future financial years.
- 2.3 In 2021/22, the Government continued the extension of Business Rates discounts giving a 100% discount in respect of retail, leisure, hospitality and nursery properties for the period April to June 2021 and 66% for the remainder of the financial year. Business Ratepayers for these businesses were therefore not required to pay their full Business Rates and the Government instead compensated the Council for the loss of income via a grant. This grant is currently estimated to be £9.045m. It is important to note that even though the amount of Business Rates to be collected has been considerably reduced due to a combination of the pandemic, the challenging economic environment and the impact of the extended retail relief, collection has been below that seen at pre-pandemic levels.
- 2.4 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 2021/22 will be an estimated deficit of approximately £8.074m of which the Councils share is £7.741m. However as Central Government is providing grant in lieu of business rates, specifically for the provision of Extended Retail Relief, current estimates are that there will be grant received of £9.045m which removes the deficit and allows the use of £1.304m of additional resources to support the 2022/23 budget.
- 2.5 Members will be aware that on 15 December 2021, the Government issued information on the Business Rates reliefs which were initially notified on 25 March 2021. It has taken some time for Government to pass the necessary legislation to enable these reliefs to be provided. The Council has been allocated grant resources of £4.203m using discretionary relief powers under section 47 of the Local Government Finance Act 1988. The Council is required to devise its own scheme to allocate the resources. However, this late change is not expected to have an impact on the projected Collection Fund outturn for 2021/22 as the Council will be fully compensated for the reliefs provided up to the value of £4.203m
- 2.6 The statutory deadline by which preceptors must be notified of the 2021/22 Council Tax surplus/deficit is 15 January 2022. Appropriate formal notification was provided by the required due date.

#### Calculation of the Council Tax Tax Base for 2022/23

- 2.7 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.
- 2.8 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 97,677. Allowing for exemptions, demolitions and disabled relief dwellings, this number reduces to 95,640 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 86,700.8 dwellings.

- 2.9 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 68,910.7.
- 2.10 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 2022/23 and therefore the scheme will remain the same as that for 2021/22 with discount anticipated to continue to be capped at 85% of a Band A property.
- 2.11 The summarised method of calculating the 2022/23 Tax Base is shown in Appendix A. This shows that, taking the above issues into account, the Tax Base would be 59,379.8 at a 100% collection level but would be 57,450 at a collection rate of 96.75%. The Tax Base has increased by 250 compared to the figure for 2021/22 (tax base in 2020/21 was 57,200), largely reflecting an expected decrease in the number of households claiming Council Tax Reduction as the economy continues to recover from the Coronavirus pandemic.

#### Estimated Collection Rate

- 2.12 A recent review of collection levels has been undertaken to inform the 2022/23 budget process. This review has been informed by:
- The impact of the LCTRS on Council Tax revenues. Evidence indicates that entitlement to benefit has begun to reduce from the levels seen at the height of the pandemic, similarly collection rates in 2021/22 are showing some signs of improvement (however, the recent advent of the Omicron variant may impact on this position but this is as yet unknown).
  - The general economic climate and pressures on households to manage their finances which has seen increasing numbers of Council Tax payers falling into arrears;
- 2.13 In view of the above it is considered appropriate to maintain the anticipated collection rate at 96.75%. The Council will however continue to closely monitor the collection rate and tax base position to determine whether the changing environment around the COVID-19 pandemic has any impact on the Council Tax collection rate and Collection Fund position.

## Parish Council Tax Bases

- 2.14 The Tax Base calculated for 2022/23 for the Parish Councils of Saddleworth and Shaw & Crompton are 8,833 and 5,548 respectively. This represents a increase for Saddleworth of 133 Band D equivalent properties and for Shaw & Crompton an increase of 69 Band D equivalent properties when comparing totals to the Parish Tax Bases for 2021/22. The Tax Bases have been calculated on a basis consistent with those for the Borough as a whole.
- 2.15 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. Grants payable to the Parish Councils have subsequently continued to be maintained at 2019/20 levels and this continues to be the policy. The amount of grant payable to each Parish for 2022/23 is set out in the table below.

|                                   | 2022/23<br>£000 |
|-----------------------------------|-----------------|
| Saddleworth Parish Council        | 13              |
| Shaw & Crompton Parish Council    | 5               |
| <b>Total Parish Grant Payable</b> | <b>18</b>       |

## Business (Non-Domestic) Rates

- 2.16 Local billing authorities are required to prepare and submit to the Department for Levelling Up Housing and Communities (DLUHC) 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 2022/23 "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. Over the past few years, the Government has introduced a series of Business Rates reliefs. This has required the Council to receive Grants in Lieu of Business Rates as compensation for the Business Rates not billed due to the reliefs given to businesses. 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 2022/23 is £18.796m of which the Councils' share is £18.605m
- 2.17 It is important to note that as the Government has announced new Business Rates reliefs before the Business Rates Taxbase has been set (unlike 2020/21 and 2021/22), the calculated Business Rates taxbase has fallen whilst the Grants in Lieu of Business Rates has correspondingly increased.

- 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 continuing impact of the COVID-19 pandemic has therefore heightened the likelihood of fluctuations in Business Rates income in 2022/23.
- 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 £26m of rateable value remain unresolved. Total rateable value for the Oldham Billing Area is around £156m meaning appeals currently affect approximately 17% 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. Early 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, March 2022 sees the end of the current five-year rating list period. Any appeals from businesses received before this date which then prove to be successful will potentially result in businesses having a revision

to their Business Rates bills backdated to possibly April 2017. It is as yet unknown whether this will lead to a spike in business rates appeals lodged before deadline of the financial year end.

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 the start of the financial year in 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 2021/22 and forecast for 2022/23.

#### 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. Whilst there has been some uncertainty as to the continuation of the 100% Business Rates retention piloting arrangements, the Provisional Local Government Finance Settlement announced on 16 December 2021, advised that the pilot scheme would continue for at least 2022/23. As a consequence, based on best estimates the Council has assumed benefit of £2.720m from the pilot scheme for 2022/23. The current arrangements are that the Council can retain 50% of this benefit with the balance attributable to the GMCA. The Council's share, £1.360m will be made available to support the 2022/23 budget whilst the GMCA share will be transferred to a reserve to be paid to the GMCA once the final position has been agreed. It is important to note that these figures will only be confirmed at the end of 2022/23.

#### GM Business Rates Pool 2022/23

2.25 Members will recall with the exception of 2020/21, 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. An expression of interest was submitted to Government for a 2022/23 pool of all ten GM Councils.

2.26 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, a decision on membership could not be taken until the contents of the 2022/23 Provisional Local Government Finance Settlement had been examined and the impact

understood. Confirmation of pool membership had to be made within 28 days of the receipt of Provisional Local Government Finance Settlement information (12 January 2022). After examining the Settlement information, a collective decision of all ten Authorities was made not to proceed with pooling for 2022/23 and the Government was notified accordingly.

### 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 grants for 2022/23 awarded under Section 31 of the Local Government Act 2003 are currently forecast to be worth around £18.796m (of which the Councils share is £18.605m). However as mentioned in paragraph 2.18 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 reflects the reliefs and discounts announced as part of the Spending Review and Budget 2021.

### **2022/23 Business Rates Forecast – Conclusion**

- 2.29 It is important to highlight to Members that the preparation of Council Tax and Business Rates Tax bases is being undertaken in a period of unprecedented uncertainty and volatility. The COVID-19 pandemic and recent Government announcements relating to extended retail relief have continued to reduce both the Council Tax and Business Rates income collected in 2021/22 to the extent that an income deficit of £7.741m is projected for the Council at the end of 2021/22 (this is initially accounted for in the Collection Fund). However as Central Government is providing grants in lieu of business rates, specifically for the provision of Extended Retail Relief, current estimates are that there will be grant received of £9.045m which removes the deficit and allows the use of £1.304m of additional resources to support the 2022/23 budget.
- 2.30 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 short-term forecasting. However, over the long term, the switch to more frequent revaluations and the ongoing results of Business Rates Retention are extremely difficult to assess. Forecasts for 2022/23 have been prepared on the basis of trends emerging from the monthly monitoring of business rates liability during 2021/22.
- 2.31 For the purposes of formal decision making, Oldham Council's share of the Business (Non-Domestic) Rates forecast for 2022/23 is presented at £48.605m a reduction of £2.013m compared to 2021/22 (reflecting the offsetting receipt of grant compensation). This represents the best estimate available at this time and is the assumption underpinning the 2022/23 budget estimates that are currently being reviewed and updated. However, assuming delegation is approved, the final Business Rates forecast for 2022/23 will be

confirmed when preparing the submission of the Council's NNDR 1 return in late January 2022. The calculation of the current forecast of £48.605m is summarised in the table below:

| <b>Forecast Business Rates Yield</b>            | <b>2022/23<br/>£000</b> |
|-------------------------------------------------|-------------------------|
| Oldham Council Share (99%)                      | 48,605                  |
| GMCA Share (for Fire and Rescue functions) (1%) | 491                     |
| <b>Total Forecast Yield</b>                     | <b>49,096</b>           |

- 2.31 As advised above, in addition to the £49.096m, the Council will also precept £2.720m which is the anticipated share of Business Rate gains as a result of the 100% Business Rates pilot scheme. The Council will utilise 50% of this, a sum of £1.360m, bringing the total Business Rates funding available to the Council for 2022/23 to £49.965m.

### **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 2022/23 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 maintain its 2021/22 collection rate at 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 2022 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 57,450 and an estimate of the Business Rates Tax Base of £48.605m (plus a further £1.360m resulting from a Business Rates pilot scheme gain). Delegation to the Deputy Leader and Cabinet Member for Finance and Low Carbon 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 2022/23.

## **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 2022 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 although the position is being monitored.

**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 FLC-14-21.

**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 2022/23

APPENDIX A

Calculation of Council Tax Tax Base 2022/23 (Based on all properties)

| Bands                                                                                                                                                            | A reduced | A         | B          | C         | D       | E        | F        | G       | H      | Total         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|------------|-----------|---------|----------|----------|---------|--------|---------------|
| Total number of Dwellings on the Valuation List                                                                                                                  |           | 50,758    | 17,395     | 16,448    | 7,125   | 3,401    | 1,558    | 909     | 83     | 97,677        |
| Total number of Exempt and Disabled Relief Dwellings on the Valuation List                                                                                       | 160       | (1,388)   | (258)      | (333)     | (120)   | (51)     | (14)     | (10)    | (23)   | (2,036)       |
| No. of Chargeable Dwellings                                                                                                                                      | 160       | 49,370    | 17,137     | 16,115    | 7,005   | 3,350    | 1,544    | 899     | 60     | 95,640        |
| Less: Estimated discounts, exemptions and disabled relief                                                                                                        | (7.5)     | (5,634.5) | (1,479.25) | (1,170.5) | (381.5) | (156.25) | (68.75)  | (37.25) | (3.75) | (8,929.25)    |
| Total equivalent number of dwellings after discounts, exemptions and disabled relief                                                                             | 152.5     | 43,735.5  | 15,657.75  | 14,944.5  | 6,623.5 | 3,193.75 | 1,475.25 | 861.75  | 56.25  | 86,700.75     |
| 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                                                                                                                                                | 84.7      | 29,157    | 12,178.3   | 13,284    | 6,623.5 | 3,903.5  | 2,130.9  | 1,436.3 | 112.5  | 68,910.7      |
| Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments – reduction in Band D Equivalents                                                   |           |           |            |           |         |          |          |         |        | (10,037.9)    |
| Increase in Band D equivalents in 2022/23 based on estimates of changes in discounts & exemptions and the acceleration of planned housing/ regeneration schemes. |           |           |            |           |         |          |          |         |        | 507           |
| <b>Total after LCTSS and other adjustments</b>                                                                                                                   |           |           |            |           |         |          |          |         |        | 59,379.8      |
| Multiplied by estimated collection rate                                                                                                                          |           |           |            |           |         |          |          |         |        | 96.75%        |
| <b>Band D Equivalents</b>                                                                                                                                        |           |           |            |           |         |          |          |         |        | <b>57,450</b> |

For information: Parish Council Tax Tax Bases –

Saddleworth 8,833

Shaw & Crompton 5,548