

Report to Cabinet

Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2023/24

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

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23 January 2023

Reason for Decision

This report presents to Cabinet the Council Tax Tax Base and provisional Non-Domestic Rates (NDR) Tax Base forecast for 2023/24 which will underpin the forthcoming Council Budget and Medium-Term Financial Strategy scheduled for consideration at Budget Council on 1 March 2023.

The report also seeks delegated authority to finalise the 2023/24 Non-Domestic Rates (Business Rates) forecast 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 2023.

Executive Summary

This report sets out information on the Council Tax Tax Base for 2023/24 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 2023/24 is 95,980. This figure is reduced to 87,000 after allowing for discounts and exemptions and translates to the equivalent of 69,175.3 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 60,465.1. The final Tax Base after the application of the anticipated collection rate of 96.75% is 58,500 which is an increase of 1,050 when compared to the Council Tax Tax Base for 2022/23 of 57,450.

The 2023/24 Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,952 and 5,615 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 2023/24 “demand” and payment schedule for Business Rates between Oldham Council and the Greater Manchester Combined Authority (GMCA). Being a participant in the Greater Manchester 100% Rates Retention Pilot Scheme which was confirmed for the financial year 2023/24 in the Provisional Local Government Finance Settlement (PLGFS) which was announced on 19 December 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 GMCA for Fire and Rescue services.

The estimated rating income for 2023/24 attributable to Oldham Council using the latest information which includes the Business Rates Revaluation is currently £48.499m which is a decrease of £0.106m compared to 2022/23. 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 2023.

As the 100% Business Rates retention regime is continuing, the Council has assumed a benefit of £4.180m from the pilot scheme for 2023/24. The current arrangement is that the Council can retain 75% of this benefit with the balance attributable to GMCA. The Council’s share, £3.135m will be made available to support the 2023/24 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 by the end of 2023/24.

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 current economic climate including uncertain prospects for economic growth, Government changes in policy in year, the revaluation of Business Rates from 1 April 2023 and the economic impact of the conflict in Ukraine are amongst the issues which make forecasting challenging.

The Collection Fund has moved into a projected surplus position in 2022/23 providing the opportunity to use the surplus to support the 2023/24. This is the result of the lifting of COVID-19 related restrictions during the year and consequent improved collection rates. It also reflects the level of Government support provided via Business Rate reliefs which has reduced any losses in collection.

In addition, April 2023 signifies the start of a new Business Rates Revaluation list with all properties being reassessed to identify new rateable values. A property’s rateable value is an assessment of the annual rent the property would generate if it were available on the open market at a fixed valuation date. From 1 April 2023, the rateable values are based on the valuation date of 1 April 2021. Revaluations are undertaken to maintain fairness in the system by redistributing the total amount payable in business rates, reflecting changes in the property market. In terms of

volatility for the Collection Fund, then there is a risk that appeals against any revaluation increase over the levels assumed in modelling the financial projections.

Recommendations

It is recommended that:

- 1) Cabinet approves:
 - a) The Council Tax Tax Base for 2023/24 at 58,500 Band D equivalent properties.
 - b) The latest estimate for 2023/24 Business Rates revenue that is attributable to Oldham Council as being £48.499m.
 - c) The drawing down from the Collection Fund of £4.180m of Business Rates retention gains anticipated for 2023/24, of which the Council will utilise £3.135m (75%)
- 2) Cabinet notes the Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,952 and 5,615 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 2023/24**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 2023/24 by 31 January 2023, 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 2023/24 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 (GMCA) 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 2023/24 in setting the Council Tax and determining the level of Council Tax income for 2023/24.
- 1.4 Notification of the 2023/24 Council Tax Tax Base must be provided to Major Precepting Authorities by the statutory deadline of 31 January 2023. The GMCA is responsible for determining the two major precepts, the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (which incorporates precepts for both and Mayoral General Service provision and the Fire and Rescue Service)
- 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 Business Rates (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 extension of the 100% Business Rates Retention Pilot arrangements for a further year, the estimates now take on a higher profile because the Council is using 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 2022/23**

- 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 both Council Tax and Business Rates revenues over the short to medium term.

- 2.2 In 2022/23, the Government continued the extension of Business Rates discounts giving a 50% discount up to a rateable value of £110,000 in respect of retail, leisure, hospitality, and nursery properties for the period April 2022 to March 2023. 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 £4.122m. These Business Rate reliefs have been revised and expanded into 2023/24 and have therefore influenced the level of Business Rates income that will be collected in 2023/24 as explained later.
- 2.3 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 2022/23 will be an estimated surplus of £4.179m. The Council has chosen to utilise this surplus to support the 2023/24 budget with a share allocated to the major preceptor of £4.130m.

Estimated Collection Fund Forecast Position as at Month 8

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	2,958	6,175	9,133
Contribution to deficit carried forward from 2021/22	(2,873)	(10,379)	(13,252)
Prior Year Balance Brought Forward	85	(4,204)	(4,119)
(Surplus) /Deficit for the Year	(133)	73	(60)
Net (Surplus)/Deficit Carried Forward	(48)	(4,131)	(4,179)

Collection Fund – 2022/23 Share of Balances; Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Share - Oldham Council	(40)	(4,090)	(4,130)
Share – Greater Manchester Combined Authority Mayoral Police and Crime Commissioner	(5)	-	(5)
Share – Greater Manchester Combined Authority Mayoral General Precept (including Fire Services)	(3)	(41)	(44)
Total (Surplus)	(48)	(4,131)	(4,179)

- 2.4 The preceptors will be notified of the 2022/23 Council Tax surplus by the statutory deadline.

Calculation of the Council Tax Tax Base for 2023/24

- 2.5 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 in occupation.
- 2.6 In October each year the Government requires the submission of a return, the Council Tax Base 1 (CTB1), and a version of this is used as the basis for the calculation of the Tax Base. Using the CTB1, Appendix A shows the total number of dwellings on the valuation list in Oldham is 98,118. Allowing for exemptions, demolitions and disabled relief dwellings, this number reduces to 95,980 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 87,000 dwellings.
- 2.7 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 of 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 69,175.
- 2.8 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 not undertaken a public consultation on changing the LCTRS for 2023/24 and therefore the assumption at this stage is that the scheme will remain the same as that for 2022/23 with discount anticipated to continue to be capped at 85% of a Band A property.
- 2.9 The summarised method of calculating the 2023/24 Tax Base is shown in Appendix A. This shows that, taking the above issues into account, the Tax Base would be 60,465 at a 100% collection level but would be 58,500 at a collection rate of 96.75%. The Tax Base has increased by 1,050 compared to the figure for 2022/23 (the Tax Base in 2022/23 was 57,450), largely reflecting an expected decrease in the number of households claiming Council Tax Reduction as the economy continues to recover from the Coronavirus pandemic and an increase in the number of chargeable dwellings.

Estimated Collection Rate

- 2.10 A recent review of collection levels has been undertaken to inform the 2023/24 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 COVID-19 pandemic, similarly collection rates in 2022/23 are showing some signs of improvement (however, the recent worsening of the economic outlook, which is outside the control of the Council, may impact on this position but this is yet unknown).
 - The inflationary pressures on households (often referred to as the Cost-of-Living Crisis) impacting on their ability to manage their finances which has the potential to see increasing numbers of Council Taxpayers falling into arrears in the future.
- 2.11 In view of the above uncertainty and potential volatility 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 wider economic outlook has any impact on the Council Tax collection rate and Collection Fund position.

Parish Council Tax Bases

- 2.12 The Tax Base calculated for 2023/24 for the Parish Councils of Saddleworth and Shaw & Crompton are 8,952 and 5,615 respectively. This represents an increase for Saddleworth of 120 Band D equivalent properties and for Shaw & Crompton an increase of 67 Band D equivalent properties when comparing totals to the Parish Tax Bases for 2022/23. The Tax Bases have been calculated on a basis consistent with those for the Borough as a whole.
- 2.13 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. The amount of grant payable to each Parish for 2023/24 is detailed in the table below.

	2023/24 £000
Saddleworth Parish Council	13
Shaw & Crompton Parish Council	5
Total Parish Grant Payable	18

Business (Non-Domestic) Rates

- 2.14 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 2023/24 "demand" and payment schedule for Business Rates

revenues between Oldham Council and the GMCA. The GMCA determines the Mayoral General Precept which covers general Mayoral service provision as well as Fire and Rescue functions for which (due to the piloting of the 100% Business Rates Retention Scheme as explained below) it receives 1% of all Business Rates Revenues collected across Greater Manchester. Under the 100% Business Rates Retention Pilot scheme arrangements, Central Government does not receive a share of Business Rates revenues.

2.15 Over the past few years, the Government has introduced a series of Business Rates reliefs. This has meant the Council has received Grant 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 Grant in Lieu of Business Rates for the following financial year as part of the NNDR1 return. The initial estimate for 2023/24 is £25.939m of which the Councils' share is £25.694m.

2.16 The Government has announced an extension of current Business Rates reliefs, most notably the Retail, Hospitality and Leisure Business Rates Relief scheme which will see an increase from 50% in 2022/23 to 75% in 2023,24 on properties with a rateable value of up to £110,000. The calculated Business Rates Tax Base has therefore fallen whilst the Grant in Lieu of Business Rates received as compensation for the lost Business Rates income has correspondingly increased.

2.17 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 exercises undertaken by the Valuation Office Agency (effective from 1 April 2017 and most recently 1 April 2023), 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.

2.18 Fluctuations in the amount of Business Rates income collected are also strongly influenced by 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. As the economy is currently in recession then this creates even greater uncertainty in projecting Business Rates income for 2023/24.

- 2.19 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 £13m of rateable value (in advance of the application of 2023 Revaluation changes to rateable value) remain unresolved. Total rateable value for the Oldham Billing Area is around £156m meaning appeals currently impact on approximately 8% of the overall Business Rates Tax Base.
- 2.20 The Check, Challenge & Appeal process introduced by the VOA after the 2017 revaluation exercise has tried to incorporate a degree of consistency to the appeals submission process, whilst simultaneously seeking to limit the number of 'speculative' claims. The revised process has significantly reduced 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 2023 sees the end of the current six-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 yet unknown whether this will lead to a spike in Business Rates appeals lodged before deadline of the financial year end.
- 2.21 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.
- 2.22 These trends/movements set against the base position form the basis of the forecast business rates outturn position for 2022/23 and forecast for 2023/24.

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

- 2.23 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 Business 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 business rates retention). The pilot scheme has delivered

year on year 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 (PLGFS) announced on 19 December 2022, advised that the pilot scheme would continue for at least the financial year 2023/24. Therefore, based on best estimates the Council has assumed a total benefit of £4.180m from the pilot scheme for 2023/24. The current arrangements are that the Council retains 75% of this benefit with the balance attributable to the GMCA. The Council's has assumed the same share at 75%, although this is still subject to confirmation, with £3.135m being made available to support the 2023/24 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 2023/24.

GM Business Rates Pool 2023/24

- 2.24 Members will recall that the opportunity to join a Business Rates pool to retain a share of Business Rates growth with other neighbouring Local Authorities was first introduced in 2015/16. In the years up to 2021/22, the Council participated in Business Rates pooling with the nine other GM Councils and Cheshire East and Cheshire West and Chester Councils. Pooling was not pursued in 2021/22 and 2022/23 as it was not advantageous as the two Cheshire Councils chose not to participate. However, an expression of interest was submitted to Government for a 2023/24 pool consisting of all ten GM Councils.
- 2.25 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 2023/24 PLGFS had been examined and the impact understood. Confirmation of pool membership had to be made within 28 days of the receipt of PLGFS information (notified on 19 December 2022). After examining the Settlement information, a collective decision of all ten Authorities was made not to proceed with pooling for 2023/24 and the Government was notified accordingly.

Grants in Lieu of Business Rates

- 2.26 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 2023/24 awarded under Section 31 of the Local Government Act 2003 are currently forecast to be worth around £25.939m (of which the Councils share is £25.694m). 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 reflects the reliefs and discounts announced as part of the Autumn Statement 2022 and confirmed in the Business Rates Information Letter (7/2022): Business Rates guidance and general information, published on 21 December 2022.

2023/24 Business Rates Forecast – Conclusion

- 2.27 It is important to highlight to Members that the preparation of Council Tax and Business Rates Tax Bases are being undertaken in a period of unprecedented uncertainty and volatility. The impact of the cost of living crisis and the economic recession has the potential to reduce both the Council Tax and Business Rates income collected in 2023/24.
- 2.28 In addition, April 2023 signifies the start of a new Business Rates Revaluation list with all properties being reassessed to identify new rateable values. A property's rateable value is an assessment of the annual rent the property would generate if it were available on the open market at a fixed valuation date. From 1 April 2023, the rateable values are based on the valuation date of 1 April 2021. Revaluations are undertaken to maintain fairness in the system by redistributing the total amount payable in Business Rates, reflecting changes in the property market. They are not carried out to generate extra revenue.
- 2.29 Having considered the issues above, 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 on-going results of Business Rates Retention are extremely difficult to assess. Forecasts for 2023/24 have been prepared based on trends emerging from the monthly monitoring of Business Rates liability during 2022/23.
- 2.30 For the purposes of formal decision making, Oldham Council's share of the Business (Non-Domestic) Rates forecast for 2023/24 is presented at £48.499m a decrease of £0.106m compared to 2022/23 (reflecting offsetting receipt of grant compensation). This represents the best estimate available currently and is the assumption underpinning the 2023/24 budget estimates. However, delegation to vary the Business Rates Tax Base is sought as the final Business Rates forecast for 2023/24 will only be confirmed when preparing the submission of the Council's NNDR 1 return in late January 2023.
- 2.31 The calculation of the current Council forecast of £48.499m is summarised in the table below:

Forecast Business Rates Yield	2023/24 £000
Oldham Council Share (99%)	48,499
GMCA Share (for Fire and Rescue functions) (1%)	490
Total Forecast Yield	48,989

- 2.32 As advised above, in addition to the £48.499m to be used to support the Councils 2023/24 budget, £0.490m will be precepted and allocated to GMCA for its share of the Business Rates income forecast to support Fire and Rescue Services.

- 2.33 In addition, the Council will also precept £4.180m which is the anticipated share of Business Rate gains as a result of the 100% Business Rates pilot scheme. The Council is expecting to utilise 75% of this, a sum of £3.135m, (although this has not yet been confirmed by GMCA) bringing the total Business Rates funding available to the Council for 2023/24 to £51.634m. The balance of the Business Rates gains (£1.045m) will be allocated to GMCA.
- 2.34 As advised above, delegation is sought to vary these figures dependent on the submission of the NNDR1 form to Government. The Business Rates income used to support the 2023/24 budget may therefore be subject to change on or around 31 January 2023.

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 2023/24 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 2023/24 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 2023 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 58,500 and an estimate of the Council's Business Rates Tax Base of £48.499m (plus a further £3.135m 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 2023/24.

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 2023 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 be a shortfall in the income anticipated. This would influence 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 economic risks outside the control of the Council which have the potential to reduce the levels of Council Tax and Business Rates income assumed in the financial modelling undertaken by the Council.
- 10.4 There is a risk the Council does not receive the 75% share of pilot gains anticipated within the report.

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-19-22

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

20 Appendices

20.1 Appendix A Calculation of the Council Tax Tax Base for 2023/24

APPENDIX A

Calculation of Council Tax Tax Base 2023/24 (Based on all properties)

Bands	A reduced	A	B	C	D	E	F	G	H	Total
Total number of Dwellings on the Valuation List		50,896	17,469	16,538	7,180	3,446	1,579	927	83	98,118
Total number of Exempt and Disabled Relief Dwellings on the Valuation List	157	(1,430)	(286)	(347)	(115)	(54)	(18)	(22)	(23)	(2,138)
No. of Chargeable Dwellings	157	49,466	17,183	16,191	7,065	3,392	1,561	905	60	95,980
Less: Estimated discounts, exemptions and disabled relief	(7.5)	(5,617.2)	(1,492.5)	(1,188.7)	(396)	(160.7)	(72.5)	(41.7)	(3.2)	(8,980)
Total equivalent number of dwellings after discounts, exemptions and disabled relief	149.5	43,848.8	15,690.5	15,002.3	6,669	3,231.3	1,488.5	863.3	56.8	87,000
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	83.1	29,232.5	12,203.7	13,335.3	6,669	3,949.3	2,150.1	1,438.8	113.5	69,175.3
Net effect of Local Council Tax Reduction Scheme (LCTRS) and other adjustments – reduction in Band D Equivalents										(9,582.2)
Increase in Band D equivalents in 2022/23 based on estimates of changes in discounts & exemptions and the acceleration of planned housing/ regeneration schemes.										872
Total after LCTRS and other adjustments										60,465.1
Multiplied by estimated collection rate										96.75%
Band D Equivalents										58,500

For information: Parish Council Tax Tax Bases –

Saddleworth 8,952

Shaw & Crompton 5,615