



## 2021/22 Tax base and Precepts

7<sup>th</sup> January 2021

Dear Parish Clerk/Chair,

Each year the Council calculates the council tax base for the District. In doing so it derives the tax base from household changes on a Parish by Parish basis. Most Town and Parish Councils raise a precept to cover their own expenditure plans for the coming year. However, to gauge the effect of any proposals you might have in mind, it is important to be aware of anticipated tax base changes for the coming year and the likely effect of your proposals on local residents.

The purpose of this letter is to formally request your precept for 2021/22; advise you of your tax base for the coming year and its implications for your precept and council tax; and advise you of a Council Tax Support Grant from Mid Suffolk District Council that you may wish to take into account when requesting your precept. Given this latest communication, we would consequently advise you to **hold your precept setting meeting between 8<sup>th</sup> and 29<sup>th</sup> January 2021.**

The Council is required to calculate the council tax base by 31<sup>st</sup> January at the latest for the financial year ahead. In normal years, there is very rarely any difference between the tax base that we inform you of in October or November and the final approved Tax Base. However, as outlined in our email to you of 25<sup>th</sup> November 2020, this year the impact of the Covid-19 pandemic has meant that calculation of the tax base has been subject to a very high degree of uncertainty. Two key areas of concern that have reduced the estimated tax base are rising numbers of Local Council Tax Reduction Scheme (LCTRS) reliefs and reduced collection rates.

In our email of 25<sup>th</sup> November 2020, we advised you that we intended to recalculate the council tax base in early January 2021 following the Provisional Local Government Finance Settlement. Since the figures were sent out to you previously, we have slightly adjusted the collection rate, which has reduced the tax base figures. A revised tax base calculator is attached.

By selecting your Parish/Town from the dropdown list in the **tax base calculator**, document your 2020/21 information will be displayed as well as your 2021/22 indicative tax base for Band D equivalent properties. **You will need to download the document first, then enable editing.** The document allows you to input your required precept, or to model a percentage increase to Council Tax.

Also attached for information is a further spreadsheet which shows the tax base for all Town and Parish Councils within the District.



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**Babergh and Mid Suffolk District Councils**  
Endeavour House, 8 Russell Road, Ipswich IP1 2BX  
Telephone: (0300) 1234 000  
[www.babergh.gov.uk](http://www.babergh.gov.uk) [www.midsuffolk.gov.uk](http://www.midsuffolk.gov.uk)



In the one-year Spending Review announced on 25<sup>th</sup> November 2020, £670m additional grant funding was announced to provide support to authorities in respect of the impact on council tax bases arising from increased LCTRS reliefs. This funding has subsequently been confirmed in the Provisional Local Government Finance Settlement. Major precepting authorities will receive a Local Council Tax Support Grant allocation proportionate to their share of the council tax bill in the district, based on the increase in the value of LCTRS reliefs in the year between the October 2019 CTB1 and October 2020 CTB1 returns, together with an allowance for forecast increases at a national level. The information provided from government suggests that our allocation of £102,000 includes a share for Town and Parish Councils and Mid Suffolk has agreed to pass this grant on in full (£31,880).

The allocation of this grant to individual councils has been calculated in proportion to the reductions in the calculated tax base for the parish resulting from increased LCTRS reliefs and the use of a reduced collection rate in the tax base calculation as mentioned above.

Your council will consequently receive a grant payment as outlined in the attached document. This grant will be paid as a single payment at the same time as your **first precept payment on 30th April 2021**.

As outlined earlier in this letter, you may wish to take this grant into account when determining your precept and assessing the impact of any increases on tax payers. I can also advise you that in the Provisional Local Government Finance Settlement it was confirmed that there will be no council tax referendum limits for town and parish councils in 2021/22.

Please note that if your precept exceeds £140,000, information will need to be provided for the 2021/22 budget showing gross expenditure, gross income, and net expenditure for your main service areas. You will be contacted separately to provide this information.


Please accept my apologies that as a result of the uncertainties in local government finance arising from the Covid-19 pandemic, the timetable for setting Council Taxes is even tighter than in previous years. It would assist me greatly if you could notify me of your precept requirement by 31<sup>st</sup> January 2021 as the District Council is required to set Council Taxes on 23<sup>rd</sup> February 2021. Should you fail to notify me of your precept requirement by 31<sup>st</sup> January 2021, I will anticipate that your precept requirement for the coming year (2021/22) is the same as the previous year. **Under the Billing Authorities (Anticipation of Precepts) (Amendment) (England) Regulations 2014, where the precept has been anticipated by the Billing Authority, the Town / Parish Council is still required to provide a signed copy of their precept requirement by the 31<sup>st</sup> March 2021.**

Precept forms are also available to download from the Councils' websites at <http://www.babergh.gov.uk/the-council/parish-precept-form/>



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When completing the Precept form, please highlight if any bank details have changed from the previous year.

The Precept forms **need to be signed and returned by 31<sup>st</sup> January 2021**. In a change to previous years, recognising the exceptional circumstances, only 2 signatories are required for 2021/22. **The signatories must be the Clerk and the Chairman or one other Member.**

The signed forms can be scanned and returned by email to [Precept@baberghmidsuffolk.gov.uk](mailto:Precept@baberghmidsuffolk.gov.uk) but please ensure you retain the original signed document as it may be required for audit purposes.

As we have already received some precept forms, please could you let us know if you would like to amend your precept request in the light of this new information. Please confirm the position either way so we can check you off our records, again please confirm via [Precept@baberghmidsuffolk.gov.uk](mailto:Precept@baberghmidsuffolk.gov.uk)

If you do not have the facility to return the Precept form electronically, please can you email [Precept@baberghmidsuffolk.gov.uk](mailto:Precept@baberghmidsuffolk.gov.uk) to advise of your intention and send a signed hard copy to:

*Mid Suffolk District Council, Endeavour House, 8 Russell Road, Ipswich, IP1 2BX.*

When the forms are received by the Council, an acknowledgement email will be sent to the Town/Parish contact. Please thoroughly check the contents of the email and inform the Financial Services Team immediately of any inconsistencies with the Precept requirements.

If any assistance or further information is required to complete the form or to set the Parish Precept please email [precept@baberghmidsuffolk.gov.uk](mailto:precept@baberghmidsuffolk.gov.uk), alternatively please do not hesitate to contact either Jacqui Richmond 01473 296302 or Sharon Bayliss 01473 296316.

Kind regards

Sharon Bayliss

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