

To: Audit and Governance Committee
Date: 27 January 2022
Report of: Head of Financial Services
Title of Report: Setting of the Council Tax Base 2022-23

Summary and recommendations													
Purpose of report:	To set the "Council Tax Base" for 2022-23 as required by section 33 of The Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.												
Key decision:	No												
Cabinet Member with responsibility:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management												
Corporate Priority:	All												
Policy Framework:	Council Strategy 2020-24												
Recommendation(s): The Committee is recommended to agree:													
<ol style="list-style-type: none"> 1. That the 2022/23 Council Tax Base for the City Council's area as a whole is set at 45,193.2 (as shown in Appendix 1) 2. That the projected level of collection is set at 98% 3. That the tax bases for the Parishes, and for the Unparished Area of the City (as shown at Appendix 2) be set as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tbody> <tr> <td style="width: 70%;">Unparished Area of the City</td> <td style="text-align: right;">37,645.9</td> </tr> <tr> <td>Littlemore Parish</td> <td style="text-align: right;">1,818.4</td> </tr> <tr> <td>Old Marston Parish</td> <td style="text-align: right;">1,273.0</td> </tr> <tr> <td>Risinghurst & Sandhills Parish</td> <td style="text-align: right;">1,547.5</td> </tr> <tr> <td>Blackbird Leys Parish</td> <td style="text-align: right;">2,908.4</td> </tr> <tr> <td>City Council Total</td> <td style="text-align: right;">45,193.2</td> </tr> </tbody> </table> 		Unparished Area of the City	37,645.9	Littlemore Parish	1,818.4	Old Marston Parish	1,273.0	Risinghurst & Sandhills Parish	1,547.5	Blackbird Leys Parish	2,908.4	City Council Total	45,193.2
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Appendices	
Appendix 1	Oxford City Council Tax Base 2022-23
Appendix 2	Parish Councils' Tax Bases 2022-23

Appendix 3	Dwellings by valuation band as at 30 th Nov 2021
Appendix 4	Risk Register

Introduction and background

1. Responsibility for setting the Council Tax Base for the City Council's area as a whole and for the individual parishes is delegated to the Audit and Governance Committee.
2. The Tax Base is the estimate of the taxable capacity of the area for the period. The numbers of dwellings in each valuation band are converted to Band D equivalents. The starting point is the current number of dwellings, exemptions and discounts as at 30 November 2021 and projections are then made for expected movements over the period 1 December 2021 – 31 March 2023. Separate calculations are required for a) the whole of the Authority's area and b) the individual Parishes and the Unparished area of the City.
3. The Tax Base is used by the Council to calculate the yield from Council Tax for 2022/23, and by Oxfordshire County Council and the Police and Crime Commissioner (Thames Valley) to apportion their precepts from 1 April 2022.

Council Tax Reduction Scheme

4. From 1 April 2019 the Council's Formula Grant has reduced to zero consequently the total cost of the Council Tax support scheme arising from reduced council tax income is currently estimated at £1.9 million funded completely by the Council (based on a band D equivalent of 5,923.3 receiving support).
5. Oxford's caseload had been reducing prior to the pandemic, but has risen quite considerably since April 2020. This has had a significant impact on the Tax Base in both 2020/21 and 2021/22. Nobody knows what will happen over the next 15 months and a figure of 6,853 has been included as a possible number of dwellings that will be eligible for Council Tax Support in 2022/23. This is almost 6% higher than the figure contained within the calculation for 2021/22.

Factors taken into account in the calculation of the Tax Base

6. The following factors are taken into account when calculating the tax base:
 - **Dwellings:** The number of dwellings in each valuation band as at 30 November 2021 (see Appendix 3 attached).
 - **Exemptions and Discounts:** Not all dwellings are liable for the full Council Tax charge, some are exempt. Others can attract a discount, either at 25%, 50% or 100% dependent on the number of adults who are resident. The level of exemptions and discounts reduces the Tax Base.
 - The estimate of the number of dwellings that will be eligible for a 25% discount in 2022/23 (recently built or uninhabitable dwellings) is 55. This figure is shown in line 7 of Appendix 1 and is based on data as at 30 November 2021.
 - The estimate of the number of dwellings that will be eligible for a 25% discount (primarily dwellings occupied by one adult only) is 18,430. This figure is shown in line 8 of Appendix 1 and is based on data as at 30 November 2021.

- The estimate of the number of dwellings that will be eligible for a 50% discount (primarily dwellings where all the occupiers are disregarded) is 173. This figure is shown in line 9 of Appendix 1 and is based on data as at 30 November 2021.
- **Disability Reductions:** Where there is a disabled occupant, and adaptations have been undertaken for their benefit, the dwelling is treated as being in the band below the one in which it was actually valued (lines 4 and 5 of Appendix 1)
- **Council Tax Reduction Scheme:** The estimate of the total number of dwellings that will be eligible for discounts under the Council Tax Reduction Scheme in 2021/22 is 6,852.7 compared to 6,470.4 on which the tax base was based in 2021/22. The breakdown per band is detailed in line 13 of Appendix 1. Please also see the Risk Register (Appendix 4).
- **Long Term Empty Premium:** On 13 February 2019 the Council approved a Long Term Empty Property Premium from 1 April 2019 charging a 100% premium on those dwellings that have been empty for 2 years and over. At the same time it also approved a 200% premium on dwellings that have been empty for 5 years and over with effect from 1 April 2020, and from 1 April 2021 a 300% premium to be levied on dwellings that have been empty for 10 years and over. As at 30 November 2021 there were 109 dwellings that had been empty for 2 years plus. Of that figure, 18 had been empty for over 5 years including 9 that had been empty in excess of 10 years. The Council continuously monitors empty dwellings in the City and works with owners to bring them back into use. Where an owner is unable or unwilling to bring an empty dwelling back into use, Council officers may consider serving an Empty Dwellings Management Order under the Housing Act 2004, or compulsory purchase.
- **Discretionary elements:** The Council has discretion in the following areas when calculating its Council Tax Base:
 - (i) **Number of new properties built:** Appendix 3 is the statement issued by the Valuation Office Agency showing the Council's dwelling numbers for each Council Tax band as at November 30th 2021. This data is shown in line 1 of Appendix 1 and is the starting point for the calculation of the Tax Base. Our overall total of dwellings has increased from 62,260 on November 30th 2020 to 62,576 one year later, an increase of 0.51%. However it should be noted that the number of dwellings estimated to be exempt from Council Tax (line 2 of Appendix 1) has increased from 6,288 in 2020/21 to 6,744 in 2021/22. The majority of the increase is student dwellings. When occupied solely by full time students these dwellings are exempt. For the effect on the Tax Base see Table 2 below. In addition there are some building projects nearing completion and a figure of 75 new builds has been included for the remainder of 2021/22 (line 1a of Appendix 1). This number is net of the fact that some of those dwellings will be exempt or liable for a discount.

For 2022/23 an estimate of 546 new dwellings has been built into the calculation (Line 1b) based on planning applications - a 50% discount has been assumed which allows for dwellings not being in the Valuation List for the entire period. The figure of 546 is net of purpose built student

accommodation that is planned for completion in 2022/23. Such dwellings will be exempt from Council Tax and will have no effect on the tax base.

(ii) **Allowance for non-collection** -The Council is required to make an allowance for non-collection of Council Tax. Collection of Council Tax in 2021/22 has become more difficult due to problems resulting from the pandemic. Collection rates are currently slightly down on those of 2019/20 but there is confidence that these will recover. Council Tax Support awarded to those Council Tax payers with financial issues has increased by almost 4% compared to the figure at the end of November 2020. In addition it is critical that the tax base is maintained to an optimum level to ensure Council Tax income is maximised. Consequently the Head of Financial Services has recommended that the allowance for 2022/23 remains at 2%.

Calculation method

7. The method used to calculate the Tax Base is prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012/2914). The basic calculation is as follows:

- Number of dwellings in each of the valuation bands
- Less Exempt dwellings
 - Dwellings eligible for the Council Tax Reduction Scheme
 - Disabled reductions
 - Discounts (25% and 50%)
- Convert to Band D equivalents
- Adjust for projected collection rate.

8. Appendices 1 and 2 attached set out the requisite calculations for the Authority as a whole as well as for the Parished and Unparished areas of the City. Table 1 below summarises the Tax Bases.

Table 1 : Council Tax Bases				
	2022/23	2021/22	Change	
	Nos	Nos	Nos	%
Unparished Area	37,645.9	38,124.7	- 478.8	- 1.26
Littlemore	1,818.4	1,827.1	- 8.7	- 0.48
Old Marston	1,273.0	1,278.3	- 5.3	- 0.41
Risinghurst and Sandhills	1,547.5	1,550.7	- 3.2	- 0.21
Blackbird Leys	2,908.4	2,924.8	- 16.4	-0.56
City Council Total	45,193.2	45,705.6	- 512.4	- 1.12

Reasons for overall decreases in Council Tax Base

9. The reasons are basically the same as recorded in this same report for the current year 2021/22. Firstly, the number of dwellings in the City occupied solely by full time students has continued to rise – the figure stood at 6,036 on May 1st 2020 and had risen by 4.6% to 6,313 twelve months later. These figures include both purpose built Halls of Residence and also dwelling houses. A large proportion of this increase was due to the Student Castle development in Osney Lane, just south of the railway station. Although these addresses are banded by the Valuation Office Agency they become exempt from Council Tax when occupied. Although no major new student developments are due in 2022/23 there will likely be further minor growth in the numbers.
10. The second major reason was a large rise in the number of Council Tax Support claimants due to the pandemic. Included in the 2021/22 tax base calculations was an estimated figure of 6,470 dwellings that could become subject to Council Tax Support. However caseload figures continued to rise steadily in the first half of 2021/22 and, with uncertainty remaining about the duration of the pandemic an estimate of 6,853 has been built into the 2022/23 Tax Base calculation.
11. Tax bases in the Parishes. With the majority of the purpose built student accommodation being situated in the Unparished Area, the Parish tax bases have not been unduly affected by the increase in student dwellings. However the rise in the numbers of Council Tax Support claimants has affected to some extent all the parishes. In addition there were only very minor numbers on newly built dwellings over the last 12 months.
12. Table 2 below shows the principal changes between the calculations of the actual tax base for 2021/22 and that proposed for 2022/23 (figures from 2021/22 report in brackets).

Table 2 : Estimated change in Tax Base	
	Numbers (Band D equivalents)
Brought Forward	45,705.6 (45,895.5)
New dwellings	+ 316 (+ 726.0)
Exemptions	- 456 (- 543.0)
Council Tax Support caseload	- 382.3 (- 285.2)
Movement in Discounts and Long Term Empty Premium)	+ 9.9 (- 87.7)
Estimated total	45,193.2 (45,705.6)
Net Change	- 512.4 (- 189.9)

Risk implications

13. A risk assessment has been undertaken and the risk register is attached at Appendix 4.

Equalities Impact Assessment

14. There are no specific Equalities Impact Assessment implications relating to the setting of the Tax Base as detailed in this report.

Financial Implications

15. These are all included within the main body of the report.

Legal implications

16. The Local Government Finance Act 1992 states that Billing Authorities are to calculate their Council Tax Base figures as at 30 November preceding the financial year to which the Tax Base applies. These figures must be notified to the major precepting authorities by the following 31 January.

17. The method used to calculate the Tax Base is prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012/2914).

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Background Papers:	
1	Statement of numbers and Bands of dwellings issued by the Valuation Office Agency current as at Nov 30 th 2021 (Appendix 3)