

To: Audit and Governance Committee
Date: 18 January 2023
Report of: Head of Financial Services
Title of Report: Setting of the Council Tax Base 2023-24

Summary and recommendations													
Purpose of report:	To set the “Council Tax Base” for 2023-24 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, Deputy Leader (Statutory), and Cabinet Member for Finance and Asset Management												
Corporate Priority:	None												
Policy Framework:	None												
Recommendations: The Committee is recommended to agree													
<ol style="list-style-type: none"> 1. That the 2023/24 Council Tax Base for the City Council’s area as a whole is set at 45,838.1 (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 in Appendix 2) be set as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tbody> <tr> <td style="width: 50%;">Unparished Area of the City</td> <td style="text-align: right;">38,146.9</td> </tr> <tr> <td>Littlemore Parish</td> <td style="text-align: right;">2,012.0</td> </tr> <tr> <td>Old Marston Parish</td> <td style="text-align: right;">1,290.4</td> </tr> <tr> <td>Risinghurst & Sandhills Parish</td> <td style="text-align: right;">1,560.6</td> </tr> <tr> <td>Blackbird Leys Parish</td> <td style="text-align: right;">2,982.2</td> </tr> <tr> <td>City Council Total</td> <td style="text-align: right;">45,838.1</td> </tr> </tbody> </table> 		Unparished Area of the City	38,146.9	Littlemore Parish	2,012.0	Old Marston Parish	1,290.4	Risinghurst & Sandhills Parish	1,560.6	Blackbird Leys Parish	2,982.2	City Council Total	45,838.1
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Appendices	
Appendix 1	Oxford City Council Tax Base 2023-24
Appendix 2	Parish Councils' Tax Bases 2023-24
Appendix 3	Dwellings by valuation band as at 30 November 2022
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 2022 and projections are then made for expected movements over the period 1 December 2022 - 31 March 2024. 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 2023/24, and by Oxfordshire County Council and the Police and Crime Commissioner (Thames Valley) to apportion their precepts from 1 April 2023.

Council Tax Reduction Scheme

4. The City Council share of the cost of the Council Tax Reduction scheme arising from reduced council tax income is currently estimated at £1.9 million (based on a band D equivalent number of properties of 5,707.7 [the actual number of properties is 6,601.8] receiving support and a 2.99% Council Tax increase on the City band D charge [including Parishes] recommended for 2023/24). This has the effect of reducing the Council Tax precept income that the City Council can receive.
5. Oxford's caseload had been reducing prior to the pandemic, but had risen quite considerably since April 2020. This had a significant impact on the Tax Base in both 2020/21 and 2021/22, which was then reflected in the number of cases included in the 2021/22 and 2022/23 tax base (6,470.4 in 2021/22 and 6,852.7 in 2022/23). Since then, the caseload has started to reduce, and so a figure of 6,601.8 has been included as the estimated number of dwellings that will be eligible for Council Tax Reduction Scheme in 2023/24. This is higher than the levels included tax base calculation that was completed before the pandemic in 2020/21 (6,185.2).

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 2022 (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 24. This figure is shown in line 7 of Appendix 1 and is based on data as at 30 November 2022.
 - The estimate of the number of dwellings that will be eligible for a 25% discount (primarily dwellings occupied by one adult only) is 19,279. This figure is shown in line 8 of Appendix 1 and is based on data as at 30 November 2022.
 - The estimate of the number of dwellings that will be eligible for a 50% discount (primarily dwellings where all the occupiers are disregarded) is 143. This figure is shown in line 9 of Appendix 1 and is based on data as at 30 November 2022.
- **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 2023/24 is 6,601.8 compared to 6,852.7 dwellings which was used for the tax base for 2022/23. 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 2022 there were 132 dwellings that had been empty for 2 years plus. Of that figure, 17 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 30 November 2022. 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 62,576 on 30 November 2021 to 63,251 one year later, an increase of 1.08%. It should also be noted that the number of dwellings estimated to be exempt from Council Tax (line 2 of Appendix 1) has decreased from 6,744 in 2021/22 to 6,599 in 2022/23. In addition there are some building projects nearing completion and a figure of 41 new builds has been included for the remainder of 2022/23 (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 2023/24 an estimate of 178 new dwellings has been built into the calculation (line 1b) based on planning applications and an assessment from the Council's Revenues Team - a 50% discount has been assumed which allows for dwellings not being in the Valuation List for the entire period.
 - (ii) **Allowance for non-collection** – The Council is required to make an allowance for non-collection of Council Tax. Collection of Council Tax in 2022/23 has remained consistent with the collection performance of 2021/22 as taxpayers are getting back to normal since the pandemic. 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 2023/24 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
 - Disabled reductions
 - Discounts (25% and 50%)
 - Dwellings eligible for the Council Tax Reduction Scheme
 - Plus:
 - Long Term Empty Property Premiums
 - 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				
	2023/24	2022/23	Change	
	Nos	Nos	Nos	%
Unparished Area	38,146.9	37,645.9	+ 501.0	+ 1.33
Littlemore	2,012.0	1,818.4	+ 193.6	+ 10.65
Old Marston	1,290.4	1,273.0	+ 17.4	+ 1.37
Risinghurst & Sandhills	1,560.6	1,547.5	+ 13.1	+ 0.85
Blackbird Leys	2,828.2	2,908.4	- 80.2	- 2.76
City Council Total	45,838.1	45,193.2	+ 644.9	+ 1.43

Reasons for the overall increases in the Council Tax Base

9. The reasons for the 1.43% overall increase in the Council Tax Base compared to the 2022/23 Tax Base are due to:
- The increase in the number of newly built dwellings. Particularly the developments in Bayhams Drive in Wolvercote, William Morris Close in Cowley and Armstrong Road in Littlemore. This can be seen in Table 2 below.
 - The reduction in the level of estimate Exemptions that will be applied in 2023/24. This reduction in estimated Exemptions has occurred due to a decrease in the number of properties in receipt of student exemptions, and will have an effect of increasing the overall Tax Base. This can be seen in Table 2 below.
 - Changes in the level of Discounts and properties eligible for Council Tax Reduction Scheme. This can be seen in Table 3 below.

Table 2 : Movement in Chargeable Dwellings	
Numbers (Band D equivalents after applying the 98% Collection Rate)	
Prior Year Dwellings Estimate	55,490.2
Movements	
Additional Properties	+ 255.7
Reduction of Exemptions	+ 160.8
Additional Disabled Relief	+ 1.2
Estimated total	55,907.9
Net Change	+ 417.7

10. Table 3 below shows the principal changes between the actual tax base for 2022/23 and that proposed for 2023/24, with the movement broken down by properties receiving discounts, premiums and paying the full charge.

Table 3 : Estimated change in Tax Base	
Numbers (Band D equivalents after applying the 98% Collection Rate)	
Prior Year Tax Base Estimate	45,193.2
Movements	
Reduction of properties eligible for Council Tax Reduction Scheme	+ 211.3
Reduction of properties eligible for Discounts	+ 390.7
Increase in properties subject to Long Term Empty Premium	+ 32.2
Increase in properties paying a full Council Tax Charge	+ 10.7
Estimated total	45,838.1
Net Change	+ 644.9

11. Tax Bases in the Parishes.

The biggest increase in Parish Tax Bases can be seen in the Littlemore Tax Base increase. This is almost entirely due to the new development at Armstrong Road. Old Marston and Risinghurst & Sandhills have seen a slight increase which is in line with the overall City Council increase. The only Parish to see a decrease in the Tax Base is Blackbird Leys. This is due to an increase number of Council Tax Reduction Scheme claimants within the Blackbird Leys Parish.

Risk Implications

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

Equalities Impact Assessment

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

Financial Implications

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

Legal implications

15. 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.

16. 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: None

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