

**To:** Audit and Governance Committee  
**Date:** 17 January 2024  
**Report of:** Head of Financial Services  
**Title of Report:** Setting of the Council Tax Base 2024-25

| <b>Summary and recommendations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                      |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
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| <b>Purpose of report:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | To set the "Council Tax Base" for 2024-25 as required by section 33 of The Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| <b>Key decision:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | No                                                                                                                                                                                                   |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| <b>Cabinet Member with responsibility:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Councillor Ed Turner, Deputy Leader (Statutory), and Cabinet Member for Finance and Asset Management                                                                                                 |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| <b>Corporate Priority:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | None                                                                                                                                                                                                 |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| <b>Policy Framework:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | None                                                                                                                                                                                                 |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| <b>Recommendations:</b> The Committee is recommended to agree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                      |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| <ol style="list-style-type: none"> <li>1. That the 2024/25 Council Tax Base for the City Council's area as a whole is set at <b>46,234.9</b> (as shown in Appendix 1)</li> <li>2. That the projected level of collection is set at <b>98%</b></li> <li>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;"> <tbody> <tr> <td style="width: 50%;">Unparished Area of the City</td> <td style="text-align: right;">38,499.2</td> </tr> <tr> <td>Littlemore Parish</td> <td style="text-align: right;">2,036.9</td> </tr> <tr> <td>Old Marston Parish</td> <td style="text-align: right;">1,310.5</td> </tr> <tr> <td>Risinghurst &amp; Sandhills Parish</td> <td style="text-align: right;">1,558.7</td> </tr> <tr> <td>Blackbird Leys Parish</td> <td style="text-align: right;">2,829.6</td> </tr> <tr> <td>City Council Total</td> <td style="text-align: right;">46,234.9</td> </tr> </tbody> </table> </li> </ol> |                                                                                                                                                                                                      | Unparished Area of the City | 38,499.2 | Littlemore Parish | 2,036.9 | Old Marston Parish | 1,310.5 | Risinghurst & Sandhills Parish | 1,558.7 | Blackbird Leys Parish | 2,829.6 | City Council Total | 46,234.9 |
| Unparished Area of the City                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 38,499.2                                                                                                                                                                                             |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| Littlemore Parish                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2,036.9                                                                                                                                                                                              |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| Old Marston Parish                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1,310.5                                                                                                                                                                                              |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| Risinghurst & Sandhills Parish                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1,558.7                                                                                                                                                                                              |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| Blackbird Leys Parish                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2,829.6                                                                                                                                                                                              |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |
| City Council Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 46,234.9                                                                                                                                                                                             |                             |          |                   |         |                    |         |                                |         |                       |         |                    |          |

| <b>Appendices</b> |                                                    |
|-------------------|----------------------------------------------------|
| Appendix 1        | Oxford City Council Tax Base 2024-25               |
| Appendix 2        | Parish Councils' Tax Bases 2024-25                 |
| Appendix 3        | Dwellings by valuation band as at 30 November 2023 |
| 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 2023 and projections are then made for expected movements over the period 1 December 2023 - 31 March 2025. 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 2024/25, and by Oxfordshire County Council and the Police and Crime Commissioner (Thames Valley) to apportion their precepts from 1 April 2024.

### **Council Tax Reduction Scheme**

4. The City Council's 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 5,734.1 [the actual number of properties is 6,617.0] receiving support and a 2.99% Council Tax increase on the City band D charge [including Parishes] recommended for 2024/25). This has the effect of reducing the Council Tax precept income that the City Council can receive.
5. The caseload estimate included in the 2024/25 Tax Base calculation is an average level of the actual 2023/24 caseload. This is due to the fact that the caseload in Oxford had been reducing prior to the Covid Pandemic and Cost of Living Crisis but increased quite considerably since April 2020. We have since seen a reduction in the total caseload, but this has yet to return to a comparable level with April 2020. As such, it is felt a prudent approach of using the 2023/24 average caseload is accurate for the 2024/25 Tax Base calculation.

### **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 2023 (Appendix 3 attached shows the bands as per the Valuation Office Agency as at 29 November 2023. This is the closest issued report to 30 November 2023 from the Valuation Office Agency, with the base report from the Revenues system being run at the end of 30 November 2023).

- **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 2024/25 (recently built or uninhabitable dwellings) is 22. This figure is shown in line 7 of Appendix 1 and is based on data as at 30 November 2023.
  - The estimate of the number of dwellings that will be eligible for a 25% discount (primarily dwellings occupied by one adult only) is 18,804. This figure is shown in line 8 of Appendix 1 and is based on data as at 30 November 2023.
  - The estimate of the number of dwellings that will be eligible for a 50% discount (primarily dwellings where all the occupiers are disregarded) is 128. This figure is shown in line 9 of Appendix 1 and is based on data as at 30 November 2023.
- **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 2024/25 is 6,617.0 compared to 6,601.8 dwellings which was used for the tax base for 2023/24. The breakdown per band is detailed in line 13 of Appendix 1. Please also see the Risk Register (Appendix 4).
- **Second Home Premium:** In February 2023 the Council approved the Second Home Premium charge, which was due to come into effect from 1 April 2024. Before this charge could be applied to Council Tax charge recipients, Oxford City Council were required provide 12 months' notice of the intended change. This notice was served during February 2023. However, Council officers were informed at a meeting in late December 2023 that, based on the view of DLUHC legal advisors, the 12 months' notice to the affected Council Tax charge recipients only counts after the legislation receives Royal Assent. As this did not occur until October 2023, Oxford City Council cannot introduce this charge until 1 April 2025. DLUHC are intending to publish this advice in a Council Tax Information Letter in January 2024 which would have been too late for this report so it is fortunate that Council officers were at the DLUHC meeting and therefore received early insight of this. This premium would charge a 100% premium on those dwellings that have been identified as second homes. Second homes are defined as a furnished property where the owner has a main home elsewhere.

- **Long Term Empty Premium:** In February 2019 the Council approved a Long Term Empty Property Premium which came into force from 1 April 2019. This premium would charge a 100% premium on those dwellings that have been empty for 2 years and over. At the same time, Council also approved a 200% premium on dwellings that have been empty for 5 years and over with effect from 1 April 2020, and a 300% premium on dwellings that have been empty for 10 years and over from 1 April 2021.

In February 2023 the Council approved an extension to this scheme whereby the 100% premium charge would apply to dwellings that have been empty for more than 1 year. This was due to come into effect from 1 April 2024, however, this has been affected by the same advice received in respect of the Second Home Premium charge (detailed above). As such, this extension will not come into effect until 1 April 2025.

As at 30 November 2023 there were 153 dwellings that had been empty for 2 years plus. Of that figure, 28 had been empty for over 5 years and 11 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 close to 30 November 2023 as possible. 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 63,251 on 30 November 2022 to 63,557 one year later, an increase of 0.48%. It should also be noted that the number of dwellings estimated to be exempt from Council Tax (line 2 of Appendix 1) has increased from 6,599 in 2023/24 to 6,722 in 2024/25. In addition there are some building projects nearing completion and a figure of 10 new builds has been included for the remainder of 2023/24 (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 2024/25 an estimate of 205 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 2023/24 has remained consistent with the collection performance of 2022/23. 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 2024/25 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) (England) 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.

| <b>Table 1 : Council Tax Bases</b> |                 |                 |                |               |
|------------------------------------|-----------------|-----------------|----------------|---------------|
|                                    | <b>2024/25</b>  | <b>2023/24</b>  | <b>Change</b>  |               |
|                                    | <b>Nos</b>      | <b>Nos</b>      | <b>Nos</b>     | <b>%</b>      |
| Unparished Area                    | 38,499.2        | 38,146.9        | + 352.3        | + 0.92        |
| Littlemore                         | 2,036.9         | 2,012.0         | + 24.9         | + 1.24        |
| Old Marston                        | 1,310.5         | 1,290.4         | + 20.1         | + 1.56        |
| Risinghurst & Sandhills            | 1,558.7         | 1,560.6         | - 1.9          | - 0.12        |
| Blackbird Leys                     | 2,829.6         | 2,828.2         | + 1.4          | + 0.05        |
| <b>City Council Total</b>          | <b>46,234.9</b> | <b>45,838.1</b> | <b>+ 396.8</b> | <b>+ 0.87</b> |

## Reasons for the overall increases in the Council Tax Base

9. The reasons for the 0.87% overall increase in the Council Tax Base compared to the 2023/24 Tax Base are due to:
- The increase in the number of newly built dwellings. Particularly the developments Butts Lane in Old Marton and in Barton Park.
  - The reduction in the level of estimate Exemptions that will be applied in 2024/25. This reduction in estimated Exemptions has occurred due to a review of the number of properties in receipt of single person discount and will have an effect of increasing the overall Tax Base.
  - A relatively consistent level of the number properties eligible for the Council Tax Reduction Scheme when compared to 2023/24.

These movements can be seen in Table 2 below.

| <b>Table 2 : Movement between Chargeable Dwellings and the Tax Base</b>                                       |                 |                 |                |               |
|---------------------------------------------------------------------------------------------------------------|-----------------|-----------------|----------------|---------------|
| <b>Numbers (Band D equivalents after applying the 98% Collection Rate)</b>                                    | <b>2024/25</b>  | <b>2023/24</b>  | <b>Change</b>  |               |
|                                                                                                               | <b>Nos</b>      | <b>Nos</b>      | <b>Nos</b>     | <b>%</b>      |
| Estimated Chargeable Dwellings expressed as Band D                                                            | <b>56,183.5</b> | <b>55,907.8</b> | <b>+ 275.7</b> | <b>+ 0.49</b> |
| Reduction in Chargeable Band D equivalents as a result of                                                     |                 |                 |                |               |
| Dwellings Eligible for 25% Uninhabitable Dwellings discount                                                   | -6.1            | -6.5            | + 0.4          | + 6.15        |
| Dwellings Eligible for 25% Single Person Discount                                                             | -4,343.6        | -4,452.3        | + 108.7        | + 2.44        |
| Dwellings Eligible for 50% All Residents Disregard Discount                                                   | -76.0           | -81.0           | + 5.0          | + 6.17        |
| Dwellings Eligible for 50% New Dwellings discount                                                             | -101.3          | -87.9           | - 13.4         | - 15.24       |
| Additional Chargeable Band D equivalents as a result of                                                       |                 |                 |                |               |
| Long Term Empty Property Premium (100%)                                                                       | 115.2           | 97.7            | + 17.5         | + 17.91       |
| Long Term Empty Property Premium (200%)                                                                       | 52.6            | 27.0            | + 25.6         | + 94.81       |
| Long Term Empty Property Premium (300%)                                                                       | 30.0            | 26.8            | + 3.2          | + 11.94       |
| Reduction in Chargeable Band D equivalents as a result of dwellings eligible for Council Tax Reduction Scheme | -5,619.4        | -5,593.5        | - 25.9         | + 0.46        |
| Estimated Tax Base expressed as Band D Equivalents after applying the 98% Collection Rate                     | <b>46,234.9</b> | <b>45,838.1</b> | <b>+ 396.8</b> | <b>+ 0.87</b> |

10. Table 3 below shows the principal changes between the actual tax base for 2023/24 and that proposed tax base for 2024/25, with the movement broken down by properties receiving discounts, premiums and paying the full charge.

| <b>Table 3 : Estimated change in Tax Base</b>                              |                 |
|----------------------------------------------------------------------------|-----------------|
| <b>Numbers (Band D equivalents after applying the 98% Collection Rate)</b> |                 |
| Prior Year Tax Base                                                        | <b>45,838.1</b> |
| Movements                                                                  |                 |
| Reduction of properties eligible for Council Tax Reduction Scheme          | - 25.9          |
| Increase of properties eligible for Discounts                              | + 100.7         |
| Increase in properties subject to a Premium Charge                         | + 46.3          |
| Increase in properties paying a full Council Tax Charge                    | + 275.7         |
| New Year Tax Base                                                          | <b>46,234.9</b> |
| <b>Net Change</b>                                                          | <b>+ 396.8</b>  |

#### 11. Tax Bases in the Parishes.

The biggest changes in the Parish Tax Bases can be seen in the increases for Old Marston and Littlemore. The increase in the Old Marston Tax Base is due to the expected completion of the Butts Lane development, whereas the increase in the Littlemore Tax Base is due new properties being completed during 2023/24 at the Armstrong Road development.

Risinghurst & Sandhills and Blackbird Leys have seen minimal changes in the Tax Base for 2024/25. This is due to no completion of developments expected in these areas and a consistent assumption on the number of exemptions and discounts applied within these parishes.

#### **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) (England) Regulations 2012 (SI 2012/2914).

|                            |                                                                         |
|----------------------------|-------------------------------------------------------------------------|
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| <b>Background Papers: None</b> |
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