

To: Audit and Governance Committee
Date: 20 January 2025
Report of: Head of Financial Services
Title of Report: Setting of the Council Tax Base 2025-26

Summary and recommendations													
Purpose of report:	To set the "Council Tax Base" for 2025-26 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 2025/26 Council Tax Base for the City Council's area as a whole is set at 47,637.8 (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;"> <tbody> <tr> <td style="width: 50%;">Unparished Area of the City</td> <td style="text-align: right;">39,882.6</td> </tr> <tr> <td>Littlemore Parish</td> <td style="text-align: right;">2,029.9</td> </tr> <tr> <td>Old Marston Parish</td> <td style="text-align: right;">1,311.6</td> </tr> <tr> <td>Risinghurst & Sandhills Parish</td> <td style="text-align: right;">1,579.8</td> </tr> <tr> <td>Blackbird Leys Parish</td> <td style="text-align: right;">2,833.9</td> </tr> <tr> <td>City Council Total</td> <td style="text-align: right;">47,637.8</td> </tr> </tbody> </table> 		Unparished Area of the City	39,882.6	Littlemore Parish	2,029.9	Old Marston Parish	1,311.6	Risinghurst & Sandhills Parish	1,579.8	Blackbird Leys Parish	2,833.9	City Council Total	47,637.8
Unparished Area of the City	39,882.6												
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Blackbird Leys Parish	2,833.9												
City Council Total	47,637.8												

Appendices	
Appendix 1	Oxford City Council Tax Base 2025-26
Appendix 2	Parish Councils' Tax Bases 2025-26
Appendix 3	Dwellings by valuation band as at 30 November 2024
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 2024 and projections are then made for expected movements over the period 1 December 2024 - 31 March 2026. 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 2025/26, and by Oxfordshire County Council and the Police and Crime Commissioner (Thames Valley) to apportion their precepts from 1 April 2025.

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 £2.1 million (based on a band D equivalent number of properties of 5,878.0 [the actual number of properties is 6,754.2] receiving support and a 2.99% Council Tax increase on the City band D charge [including Parishes] recommended for 2025/26). This has the effect of reducing the Council Tax precept income that the City Council can receive.
5. The caseload estimate included in the 2025/26 Tax Base calculation is an average level of the actual 2024/25 caseload. An average of the 2024/25 caseload can be used to estimate the caseload for 2025/26 as the Council's Revenues Team continually monitor the caseload in line with the eligibility criteria and as such, it is felt a prudent approach of using the 2024/25 average caseload is accurate for the 2025/26 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 2024, totalling 63,603 (Appendix 3 attached shows the bands as per the Valuation Office Agency as at 27 November 2024. This is the closest issued report to 30 November 2024 from the Valuation Office Agency, with the base report from the Revenues system being run at the end of 30 November 2024).

- **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 (primarily dwellings occupied by one adult only) is 18,792. This figure is shown in line 7 of Appendix 1 and is based on data as at 30 November 2024.
 - The estimate of the number of dwellings that will be eligible for a 50% discount (primarily dwellings where all the occupiers are disregarded) is 157. This figure is shown in line 8 of Appendix 1 and is based on data as at 30 November 2024.
 - The estimate of the number of dwellings that will be eligible for a 25% discount in 2025/26 (recently built or uninhabitable dwellings) is 38. This figure is shown in line 9 of Appendix 1 and is based on data as at 30 November 2024.
- **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 existing Council Tax Reduction Scheme in 2025/26 is 6,754.2 compared to 6,617.0 dwellings which was used for the tax base for 2024/25. The breakdown per band is detailed in line 15 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 with the intention that the charge would be introduced on 1 April 2024.

However, Council officers were informed by Government in late December 2023 that the 12 months' notice to the affected Council Tax charge recipients needed to be sent after the legislation received Royal Assent.

Royal Assent of the legislation occurred in October 2023, with another letter being issued to affected Council Tax charge recipients in February 2024. Now that the required notice has been issued, Oxford City Council intends to introduce this charge from 1 April 2025.

This premium will charge a 100% premium to those dwellings that have been identified as second homes. The result of this will be that an estimated 668 dwellings will pay a total 200% council tax charge.

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 and this came into effect from 1 April 2024.

The premium applicable compared to the total council tax charge payable is detailed below:

Empty period	Premium	Council Tax Charge
Between 1yr and 5yrs	100%	200%
Between 5yrs and 10yrs	200%	300%
Over 10yrs	300%	400%

As at 30 November 2023 there were 212 dwellings that had been empty for 2 years plus. Of that figure, 36 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 (EDMO) under the Housing Act 2004, or Compulsory Purchase Order (CPO).

Before issuing EDMO's and CPO's consideration and commitment must be given to the potential costs involved. These include officer time costs, the value of the property, stamp duty, external legal support, and adverts.

In 2023/24, a partnership was formed between Oxford City Council and Aspire Oxford, a charity in Oxford that empowers people facing homelessness, poverty, and disadvantage to find employment and housing. The aim of this partnership is to target properties that have been empty for over 2 years and which would be suitable for an application for an EDMO.

The Council's role is to facilitate the application by identifying suitable empty dwellings which do not require an excessive amount of money being spent to bring them back into use. Owners are contacted and dialogue in respect of EDMO's is included in any discussions about their property being brought back into use.

Aspire Oxford's role is to create a management scheme which includes financial forecasting for any costs involved. Aspire Oxford are also responsible for the day-to-day management of the property and tenants.

The list of properties identified for action through an EDMO is updated and reviewed at monthly meetings with Aspire Oxford representatives and officers from Housing and Planning and Regulatory Services.

- **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 2024 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 63,557 on 30 November 2023 to 63,603 one year later, an increase of 0.07%.

In addition to the report issued by the Valuation Office Agency, there is an estimate of new dwelling that are due to become chargeable. A figure of 100 new builds has been included for the remainder of 2024/25 (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 2025/26 an estimate of 137 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 (line 10) 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 2024/25 has remained consistent with the collection performance of 2023/24. 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 2025/26 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
 - Second Home Property Premiums
 - Convert to Band D equivalents
 - Adjust for projected collection rate of 98%
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 shows the total number of chargeable Council Tax Dwellings by Parish. This is after exemptions have been removed.

Table 1 : Total Chargeable Council Tax				
	2025/26	2024/25	Change	
	Nos	Nos	Nos	%
Unparished Area	46,370.0	45,674.0	+ 696.0	+ 1.52
Littlemore	2,978.0	2,977.0	+ 1.0	+ 0.03
Old Marston	1,505.0	1,531.0	- 26.0	- 1.70
Risinghurst & Sandhills	1,912.0	1,894.0	+ 18.0	+ 0.95
Blackbird Leys	5,020.0	4,973.0	+ 47.0	+ 0.95
City Council Total	57,785.0	57,049.0	+ 736.0	+ 1.29

9. Table 2 below splits the total number of chargeable Council Tax Dwellings for 2025/26 into discount and premium categories and converts them to Band D equivalent dwellings. From this, the projected collection rate can be applied.

Table 2 : Conversion of Chargeable Dwellings to Band D equivalents			
	Dwellings	Expressed as Band D	At the 98% Collection Rate
Estimated Chargeable Dwellings	57,785.0	58,137.6	56,974.8
Dwellings Eligible for 25% Single Person Discount	18,792.0	17,767.9	17,412.6
Dwellings Eligible for 25% Uninhabitable Dwellings discount	38.0	47.9	46.9
Dwellings Eligible for 50% All Residents Disregard Discount	157.0	189.1	185.3
Dwellings Eligible for 50% New Dwellings discount	137.0	138.1	135.3
Long Term Empty Property Premium (100%)	165.0	174.3	170.9
Long Term Empty Property Premium (200%)	36.0	36.5	35.7
Long Term Empty Property Premium (300%)	11.0	10.3	10.1
Second Home Premium (100%)	668.0	700.0	686.0
Number of dwellings assumed to be entitled to no discounts / premium	37,781.0	39,073.5	38,292.0

10. Table 3 below analyses the movement between the 2024/25 Council Tax Base and the 2025/26 Council Tax Base.

Table 3 : Movement between Chargeable Dwellings and the Tax Base				
Numbers (Band D equivalents after applying the 98% Collection Rate)	2025/26	2024/25	Change	
	Nos	Nos	Nos	%
Estimated Chargeable Dwellings expressed as Dwelling Numbers	56,974.8	56,183.5	+ 791.3	+ 1.41
Reduction in Chargeable Band D equivalents as a result of				
Dwellings Eligible for 25% Single Person Discount	-4,353.1	-4,343.6	- 9.5	+ 0.22
Dwellings Eligible for 25% Uninhabitable Dwellings discount	-11.7	-6.1	- 5.6	+ 91.80
Dwellings Eligible for 50% All Residents Disregard Discount	-92.7	-76.0	- 16.7	+ 21.97
Dwellings Eligible for 50% New Dwellings discount	-68.2	-101.3	+ 33.1	- 32.68
Additional Chargeable Band D equivalents as a result of				
Long Term Empty Property Premium (100%)	170.9	115.2	+ 55.7	+ 48.35
Long Term Empty Property Premium (200%)	71.6	52.6	+ 19.0	+ 36.12
Long Term Empty Property Premium (300%)	30.6	30.0	+ 0.6	+ 2.00
Second Home Premium (100%)	686.0	0.0	+ 686.0	+ 100.00
Reduction in Chargeable Band D equivalents as a result of dwellings eligible for Council Tax Reduction Scheme	-5,770.4	-5,619.4	- 151.0	+ 2.69
Estimated Tax Base expressed as Band D Equivalents after applying the 98% Collection Rate	47,637.8	46,234.9	+ 1,402.9	+ 3.03

11. Table 4 below shows the principal changes between the actual tax base for 2024/25 and that proposed tax base for 2025/26, with the movement broken down by properties receiving discounts, premiums and paying the full charge.

Table 4 : Estimated change in Tax Base	
Numbers (Band D equivalents after applying the 98% Collection Rate)	
Prior Year Tax Base	46,234.9
Movements	
Reduction of properties eligible for Council Tax Reduction Scheme	- 151.0
Increase of properties eligible for Discounts	+ 1.3
Increase in properties subject to a Premium Charge	+ 761.3
Increase in properties paying a full Council Tax Charge	+ 791.3
New Year Tax Base	47,637.8
Net Change (Nos)	+ 1,402.9
Net Change (%)	+ 3.03

Reasons for the overall increases in the Council Tax Base

12. The reasons for the 3.03% overall increase in the Council Tax Base compared to the 2024/25 Tax Base are due to:

- a. The introduction of the Second Home Premium charge
- b. An increase in the estimated number of new chargeable dwellings for the remainder of 2024/25. This is mostly due to the developments in Barton Park and Wolvercote.
- c. The reduction in the level of estimate Exemptions that will be applied in 2025/26. This reduction in estimated Exemptions has occurred due to continuous reviews being conducted by the Council's Revenues Team to ensure the correct exemptions are being applied.

13. Table 5 below then summarises the Tax Bases by Parishes.

Table 5 : Council Tax Bases				
	2025/26	2024/25	Change	
	Nos	Nos	Nos	%
Unparished Area	39,882.6	38,499.2	+ 1,383.4	+ 3.59
Littlemore	2,029.9	2,036.9	- 7.0	- 0.34
Old Marston	1,311.6	1,310.5	+ 1.1	+ 0.08
Risinghurst & Sandhills	1,579.8	1,558.7	+ 21.1	+ 1.35
Blackbird Leys	2,833.9	2,829.6	+ 4.3	+ 0.15
City Council Total	47,637.8	46,234.9	+ 1,402.9	+ 3.03

14. Tax Bases in the Parishes.

The biggest changes in the Parish Tax Bases can be seen in the increase for Risinghurst & Sandhills. The increase in the Risinghurst & Sandhills Tax Base the introduction of the Second Homes Premium as well as reductions in the number of chargeable dwellings subject to exemptions.

The other parishes have seen minimal changes in the Tax Base for 2025/26. This is due to the introduction of the Second Homes Premium being mostly offset by increases in the number of residents subject to the Council Tax Reduction Scheme.

The unparished area has seen the largest increase in the Tax Base for 2025/26. This increase is also due to the introduction of the Second Homes premium and an increase in new dwellings becoming chargeable. This is due to expected progress of developments in Barton Park and Wolvercote.

Risk Implications

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

Equalities Impact Assessment

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

Financial Implications

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

Legal implications

18. 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.

19. 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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Background Papers: None
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Please note in the table below the version number of your report that was finally cleared at each stage. Different committees and reports require different clearance stages – please seek advice.

Report Stage	Version Number
First Draft: <i>Commissioned and cleared by Director</i>	
Second Draft: <i>Cleared by Legal and Finance - mandatory</i>	
Organisational Draft: <i>Cleared by the Chief Executive</i>	
Final Draft: <i>Sent to the Board Member for information</i> <i>Sent to the Board Member for clearance</i>	
Final Report: <i>Sent to Labour Group if required</i>	
Final Report sent to Committee Services: <i>by deadline for reports- mandatory</i>	