

Date of meeting:	30 January 2023
Title of Report:	Council Tax Base Setting 2023/24 and Council Tax Support Scheme 2023/24
Lead Member:	Councillor Mark Shayer (Deputy Leader)
Lead Strategic Director:	David Northey (Interim Service Director for Finance)
Author:	Stephen Coker (Lead Accounting Manager) Debbie Perry (Technical Manager)
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Your Reference:	FIN/SC
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To recommend the 2023/24 Council Tax base to Council in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

Agree actions from annual review of the Council Tax Support (CTS) scheme.

Recommendations and Reasons

Council approve -

1. The Council Tax Base for 2023/24 of 74,891 equivalent Band D dwellings as set out in the report.
2. The continuation of the current Council Tax Support scheme and Exceptional Hardship Scheme for 2023/24 with no updates.

Reason for recommendations: to meet the legal requirements to set the Council tax base for budget setting purposes.

To help ensure that the Council Tax Support scheme treats claimants consistently, is clear to understand and is easy to administer.

Alternative options considered and rejected

It is a statutory requirement for Council to approve the Council Tax Base for the forthcoming financial year and annually review their CTS scheme. The option to amend the Council Tax Support scheme requires public consultation, and as there are no major Government amendments, it is considered correct to continue with the existing scheme.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Council Tax Base and associated 2023/24 budget papers will set out the resources available to deliver the Corporate Plan priorities.

Sign off:

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Originating Senior Leadership Team member: David Northey (Interim Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 05/01/2023											
Cabinet Member approval: Councillor Mark Shayer (Deputy Leader and Cabinet Member for Finance and Economy)											
Date approved: 05/01/2023											

A. Council Tax Base Calculation

I. INTRODUCTION

- 1.1 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 make arrangements for the setting of the Council Tax. The arrangements include the determination of the Council Tax Base. A Council resolution is necessary. The decision must be notified to the major precept authorities.
- 1.2 For the year commencing 1 April 2023, the major precept authorities will be Devon and Cornwall Police and Crime Commissioner and Devon and Somerset Fire and Rescue Authority.
- 1.3 The Council must determine its Council Tax Base for 2023/24 during the period 1 December 2022 to 31 January 2023. The Council Tax Base is the measure of the taxable capacity of an area, for the purpose of calculating an authority's Council Tax. It represents the estimated number of Band D equivalent chargeable dwellings for the year. It also takes into account the authority's estimated Council Tax collection rate. The level of Council Tax subsequently set must be determined using the Council Tax Base figure. The Council Tax Base calculation is attached in Appendix B.
- 1.4 The calculation of the Council Tax Base allows for discounts under the Council Tax Support Scheme.

2. PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to propose to Council the Council Tax Base of 74,891. The Council Tax Base for 2022/23 was 73,830.
- 2.2 The Tax Base calculation includes the impact of the Council Tax Support Scheme. Tax base calculations include assumptions for financial impact from COVID-19 and the continuing requirements of citizens for support to pay their Council Tax through the Council Tax Support scheme.

3. TAX BASE CALCULATIONS

- 3.1 Council Tax base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band multiplied by the estimated "collection rate" for the year.
- 3.2 Relevant amounts are:
 - (a) The number of chargeable dwellings in that band shown in the valuation list as at 12 September 2022 (Ministry of Levelling Up, Housing & Communities (DLUHC) return – Council Tax Base (CTB);
 - (b) The number of discounts, disabled reductions and exemptions which apply to those dwellings;
 - (c) Estimated changes in the number of chargeable properties between 12 September 2022 and 31 March 2024;
 - (d) Impact of the Council Tax Support scheme;
 - (e) The number of Band D equivalents within each different band.

- 3.3 The collection rate is the billing authority's estimate of the total amounts of 2023/24 Council Tax which will ultimately be paid or transferred into the Collection Fund;
- 3.4 This report assumes a collection rate for Council Tax of 97.5%. This rate reflects recent arrears collection performance, the pattern of write offs and the impact of Universal Credit. Analysis of collection rates across the age profile of debts suggests that an eventual collection rate of 97.5% is realistic and prudent in the current economic climate.
- 3.5 Appendix C shows the tax base used for the previous three years for comparison.

4. EMPTY HOMES PREMIUM

- 4.1 Change was legislated under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 which amends Section 11B of Local Government Finance Act 1992 (higher amount for long-term empty dwellings: England), as follows:

From 1 April 2021 an additional premium can be charged of up to:

- 100% for any dwelling empty between 2 and 5 years.
- 200% for any dwelling empty between 5 and 10 years.
- 300% for any dwelling empty for 10 years or more.

Plymouth City Council introduced charging a maximum premium from 1 April 2019 as part of a strategy to encourage empty properties back into use. Approval was given to charge the additional premium as part of 2020/21 Council Tax Base setting approved at Council on 27 January 2020.

- 4.2 The Housing Delivery Team recommends an increase to the council tax premium attached to empty homes to the fullest extent possible as the legislation allows. This will provide a further disincentive for keeping properties empty. We envisage that returning empty homes to use will:
- Help to alleviate pressures on the housing waiting list through increased availability of rental properties
 - Improve the visual appearance of empty properties that may blight neighbourhoods;
 - Address problems that may be associated with living next door to an empty home for example damp ingress, vermin, anti-social behaviour and loss of property value;
 - Generate New Homes Bonus funding for the city (subject to changes to the NHB scheme).
- 4.3 The legislation relating to the new premium can be found at the following link;

<http://www.legislation.gov.uk/ukpga/2018/25/contents/enacted>

5. COUNCIL TAX SUPPORT

- 5.1 In April 2013 the national Council Tax Benefit scheme was abolished and replaced by local assistance schemes, developed and administered by local councils. Plymouth City Council introduced two schemes from 1 April 2013; Council Tax Support and a discretionary Exceptional Hardship Scheme. The main Council Tax Support (CTS) scheme requires all working age claimants to make a minimum 20% contribution towards their Council Tax bill.
- 5.2 The qualifying criterion for the CTS scheme follows the basic calculation for Housing Benefit. This is based on a 'means test' with those in receipt of an income based welfare benefit passported to a

maximum 80% payment towards their Council Tax with a sliding qualification scale applied to all other claimants in order to determine entitlement.

- 5.3 All councils are required to annually review their local CTS schemes. Significant changes were agreed to the CTS scheme to implement an income banded scheme in 2020/21 to support Universal Credit (UC) customers from the frequent changes to their awards. In 2021/22 further changes to the scheme were made to address a small number of administrative issues that had arisen as a result of the implementation of the banded scheme in the previous year. A change was also made in 2021-22 to introduce flexibility into the scheme to allow the suspension of the use of the minimum income floor for the self-employed in exceptional circumstances, such as the COVID-19 pandemic.
- 5.4 A review of the 2022/23 CTS scheme has not identified any issues that require changes to be made to the scheme for 2023/24.
- 5.5 Current caseload figures confirm that the number of Plymouth residents claiming Council Tax Support decreased by 0.82% in the last 12 months (October 2021 vs October 2022). Caseload figures have remained stable at around 22,300 throughout 2022/23. The associated expenditure in 2022/23 has also decreased slightly in the last 12 months by 0.877% compared to 2021/22. CTS continues to provide vital support for many households in the city who have continued to lose income whilst household expenditure is increasing due to rising energy and food costs. It is expected that the caseload and scheme cost within 2023/24 can be funded within the available financial envelope.
- 5.6 Taking the factors in the above paragraphs into account, it is recommended that no updates are made to the CTS scheme for implementation in 2023/24.
- 5.7 These factors have been taken into account in establishing the proposed Council Tax Base and the impact will be closely monitored throughout the year.

B. Council Tax Base Calculation Table 2023/24

	BAND A with disabled relief	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	Total
Number of dwellings in valuation list as at 12th September 2022	-	48,050	33,261	23,575	10,213	5,186	1,859	614	55	122,813
Less number of exempt dwellings (including demolished)	-	3,203	1,371	920	652	198	38	33	15	6,430
Reductions to lower band due to disabled relief	-	150	188	180	103	62	24	32	11	750
Additions to band due to disabled relief	150	188	180	103	62	24	32	11	-	750
CHARGEABLE DWELLINGS FOR BAND	150	44,885	31,882	22,578	9,520	4,950	1,829	560	29	116,383
Total discounts at 25%	61	23,074	11,248	6,141	2,312	992	284	87	2	44,201
Total discounts at 50%	2	48	56	31	21	16	28	26	14	242
Total discounts at 100%	-	80	52	17	9	1	-	1	-	160
TOTAL DISCOUNTS - shown as whole dwelling equivalent	16	5,873	2,892	1,568	597	257	85	36	8	11,331
Long Term Empty Premium 2 - 5 years at 100%	-	96	12	8	2	4	-	-	-	122
Long Term Empty Premium 5 - 10 years at 200%	-	42	7	2	1	-	-	-	-	52
Long Term Empty Premium +10 years at 300%	-	7	3	-	-	-	-	-	-	10
LONG TERM EMPTY PREMIUM - impact of premium	-	201	35	12	4	4	-	-	-	256
Estimated number of dwellings not listed but which will be listed in the band for the whole or any part of the financial year	-	153	154	137	67	43	19	7	-	580
Estimated number of reductions to lower band due to successful appeals	-	10	4	10	6	1	4	1	-	-
Estimated number of increases to higher band due to successful appeals	-	9	10	4	9	7	5	2	-	-
TOTAL ADJUSTMENTS	-	154	140	123	82	51	20	10	-	580
LOCAL COUNCIL TAX SUPPORT SCHEME REDUCTIONS	46	9,402	3,224	1,031	232	60	14	3	-	14,013
Estimated impact Local Council Tax Support demand	-	10	5	5	-	-	-	-	-	20
Family annexes discount at 50%	0	31	11	19	17	14	12	1	0	105
FAMILY ANNEXES	0	16	6	9	7	6	6	1	-	50
TOTAL DWELLINGS (ROUNDED)	88	29,940	25,930	20,100	8,770	4,681	1,744	531	22	91,805
RATIO TO BAND D	5	6	7	8	9	11	13	15	18	
	9	9	9	9	9	9	9	9	9	
RELEVANT AMOUNTS FOR 2022/23	49	19,960	20,168	17,867	8,770	5,721	2,519	885	43	75,981
COLLECTION RATE										97.50%
ADJUSTED RELEVANT AMOUNT	47	19,461	19,664	17,420	8,551	5,578	2,456	862	42	74,081
MOD CONTRIBUTION										809
TAX BASE										74,891

C. Council Tax Base - Previous Years

Band	2020/21			2021/22			2022/23		
	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent
A	47,747	98.0%	19,785	47,670	97.5%	18,868	47,824	97.5%	19,057
B	32,932	98.0%	19,729	33,048	97.5%	19,297	33,154	97.5%	19,389
C	23,207	98.0%	17,270	23,318	97.5%	17,103	23,484	97.5%	17,266
D	9,939	98.0%	8,312	10,066	97.5%	8,308	10,132	97.5%	8,443
E	5,057	98.0%	5,470	5,136	97.5%	5,506	5,159	97.5%	5,546
F	1,786	98.0%	2,352	1,805	97.5%	2,361	1,836	97.5%	2,411
G	603	98.0%	846	606	97.5%	850	611	97.5%	863
H	56	98.0%	36	57	97.5%	37	56	97.5%	39
Total	121,327		73,800	121,706		72,330	122,256		73,014
MOD			803			785			816
Tax Base			74,603			73,115			73,830