

Date of meeting:	29 January 2024
Title of Report:	Council Tax Base Setting 2024/25 and Council Tax Support Scheme 2024/25
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	David Northey (Service Director for Finance)
Author:	Carolyn Haynes (Head of Finance) Paul Walshe (Head of Revenues, Benefits and Service Centre)
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Your Reference:	FIN/SC
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To recommend the 2024/25 Council Tax Base to Council in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

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

Recommendations and Reasons

That Council agrees -

1. The Council Tax Base for 2024/25 of 75,389 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 2024/25 with the amendments as set out in Paragraph 4.

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 2024/25 budget papers will set out the resources available to deliver the Corporate Plan priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

A collection rate of 97.5% has been used in calculating the Council Tax Base. Appendix A details the Tax Base calculations. The tax base is 75,389 band D equivalent properties.

Financial Risks

Council Tax Base assumptions include growth and demand on CTS scheme during 2024/25. A mid-year estimate will be prepared during autumn 2024 to identify any surplus or deficit between forecast council tax collection and the council tax income target when 2024/25 budget set. Any surplus or deficit will be included in calculating resources for future medium term financial

Carbon Footprint (Environmental) Implications:

No impact will directly arise from this report.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

No impact will directly arise from this report.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Council Tax Base Calculation							
B	Council Tax Base Calculation Table							
C	Council Tax Base Previous years							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
None							

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Sign off:

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Originating Senior Leadership Team member: David Northey (Service Director for Finance)

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 13/12/2023

Cabinet Member approval: Deputy Leader and Cabinet Member of Finance, after discussion with Cabinet colleagues

Date approved: 13/12/2023

A. Council Tax Base Calculation

1. 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 2024, 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 2024/25 during the period 1 December 2023 to 31 January 2024. 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 75,389. The Council Tax Base for 2023/24 was 74,891.
- 2.2 The Tax Base calculation includes the impact of the Council Tax Support Scheme. Tax base calculations also include assumptions for the financial impact from the cost-of-living crisis 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 2023 (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 2023 and 31 March 2025;

- (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 2024/25 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. COUNCIL TAX SUPPORT

- 4.1 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. All local authorities administer the same Council Tax Support scheme for Pension Age council taxpayers under regulations prescribed by central government.
- 4.2 From April 2021 Plymouth moved to an income banded working age CTS scheme. The amount of support awarded is based on the composition of the household and the income band in which the household income falls. Those on a basic qualifying benefit, known as a passported benefit, and those who receive a war pension or war disablement benefit receive a maximum 80% towards their Council Tax.
- 4.3 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 2021/22 to support Universal Credit (UC) customers from the frequent changes to their awards.
- 4.4 CTS continues to provide vital support for many households in the city who have low incomes. It is expected that the caseload and scheme cost within 2024/25 can be funded within the available financial envelope.
- 4.5 A change to the CTS scheme is recommended to disregard any government emergency payments;**
- 4.6 During difficult times and periods of crisis, such as the cost-of-living crisis, the government has made payments to assist households who are suffering hardship. There have been several government provisions to support vulnerable households with the cost of living, such as Alternative Fuel Payments and the Household Support Fund payments.
- 4.7 For the purpose of Housing Benefit, the Department for Work and Pensions (DWP) have instructed local authorities to treat any such payments as 'local welfare provision' and to disregard

them as income/capital for the purposes of Housing Benefit calculations and have amended HB Regulations to enable this.

- 4.8 However, for CTS, any new government emergency payments or increases to national welfare benefits could negatively impact a claim as it would reduce entitlement. If welfare provision is not disregarded for the purpose of CTS, then such emergency payments could, in theory, be subject to challenge as Plymouth's current CTS scheme does not provide for such payments to be disregarded.
- 4.9 This recommendation is to make a similar provision within our CTS scheme so that where the government announce emergency payment 'Local Welfare Provision' schemes and/or make increases to national welfare benefits, that the Council has the discretion to disregard such additional welfare payments in the assessment of CTS.
- 4.10 Taking the factors in the above paragraphs into account, it is recommended that the following changes are made to the CTS scheme for implementation in 2024/25:
- 4.11 Recommendation – That the CTS scheme be amended to disregard certain Local Welfare Provision crisis payments. This change will allow the Council to disregard any such payments so they will not have a negative impact on or reduce entitlement to CTS.

Benefits

- CTS applicants will not have CTS reduced if they receive a Local Welfare Provision.
- This recommendation brings Plymouth's CTS scheme in line with changes made to HB regulations.

Drawbacks

- None Identified

- 4.12 These factors have been taken into account in establishing the proposed Council Tax Base and the impact will be closely monitored throughout the year.
- 4.13 The Council recognises the impact of the rising cost of living and the financial strain this has placed on households. A number of crisis payments and schemes have been delivered by the Council such as the Household Support Fund and the Council Tax Energy Rebate, along with a range of other support through the Cost of Living Plan ([Cost of living | PLYMOUTH.GOV.UK](https://www.plymouth.gov.uk/cost-of-living)).
- 4.14 Further to these measures, the Council intends to review the CTS scheme during 2024 to consider changes to provide more financial support to families with children. It is the council's intention to undertake detailed modelling on the current CTS case load and offer revised schemes which will be open to public consultation.

C. Council Tax Base - Previous Years

Band	2021/22			2022/23			2023/24		
	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	47,670	97.5%	18,868	47,824	97.5%	19,057	48,050	97.5%	19,508
B	33,048	97.5%	19,297	33,154	97.5%	19,389	33,261	97.5%	19,664
C	23,318	97.5%	17,103	23,484	97.5%	17,266	23,575	97.5%	17,420
D	10,066	97.5%	8,308	10,132	97.5%	8,443	10,213	97.5%	8,551
E	5,136	97.5%	5,506	5,159	97.5%	5,546	5,186	97.5%	5,578
F	1,805	97.5%	2,361	1,836	97.5%	2,411	1,859	97.5%	2,456
G	606	97.5%	850	611	97.5%	863	614	97.5%	862
H	57	97.5%	37	56	97.5%	39	55	97.5%	42
Total	121,706		72,330	122,256		73,014	122,813		74,081
MOD			785			816			810
Tax Base			73,115			73,830			74,891