

# Cabinet



Date of meeting:	13 January 2025
Title of Report:	<b>Council Tax Base Setting 2025/26 and Council Tax Support Scheme 2025/26</b>
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	David Northey (Service Director for Finance)
Author:	Carolyn Haynes (Lead Accountancy Manager) Paul Walshe (Head of Revenues, Benefits and Service Centre)
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Your Reference:	FIN/CTB25-26
Key Decision:	No
Confidentiality:	Part I - Official

## Purpose of Report

To recommend the 2025/26 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 Cabinet recommend to Council –

1. The Council Tax Base for 2025/26 of 76,557 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 2025/26 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 2025/26 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 (Service Director for Finance)

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

Date agreed: 22/11/2024

Cabinet Member approval: Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development and Communities) approved via email

Date approved: 09/01/2025

## **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 2025, 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 2025/26 during the period 1 December 2024 to 31 January 2025. 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 76,557. The Council Tax Base for 2024/25 was 75,389.
- 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 16 September 2024 (Ministry of Housing, Communities & Local Government (MHCLG) 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 16 September 2024 and 31 March 2026;
  - (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 2025/26 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.
- 3.6 There are assumption in the tax base for growth, but the actual increase on the previous year's tax base was limited. The total number of dwellings in the valuation list as at 15 September 2024 was 123,273 compared to 123,153 in the valuation list as at September 2023. This represent a small increase of 120 dwellings on the previous year. There is a risk that this may impact on the Council Tax surplus/deficit position at the end of 2025/26.

#### 4. COUNCIL TAX SUPPORT

- 4.1 Plymouth City Council provide a local assistance schemes known as 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 tax payers under regulations prescribed by central government.
- 4.2 Plymouth operates 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 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 2025/26 can be funded within the available financial envelope.
- 4.4 All councils are required to annually review their local CTS schemes. Plymouth has reviewed the CTS scheme during 2024 to consider changes that could provide more financial support to families with children. To make these changes the current systems need to be developed to ensure a revised scheme can be administered, prior to any public consultation that would need to be undertaken. In these circumstances, Plymouth has decided not to make any changes to the scheme for 2025/26.
- 4.5 It is worth noting that just under 20% of all households in Plymouth are now in receipt of this support.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Total Council Support	16.971	16.981	18.935	20.181	21.535	22.145

<b>B. Council Tax Base Calculation Table 2025/26</b>										
	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 15th September 2024	-	48,103	33,380	23,673	10,305	5,238	1,894	624	56	123,273
Less number of exempt dwellings (including demolished)	-	3,282	1,349	952	711	215	37	35	16	6,597
Reductions to lower band due to disabled relief	-	173	202	194	117	70	29	31	9	825
Additions to band due to disabled relief	173	202	194	117	70	29	31	9	-	825
<b>CHARGEABLE DWELLINGS FOR BAND</b>	<b>173</b>	<b>44,850</b>	<b>32,023</b>	<b>22,644</b>	<b>9,547</b>	<b>4,982</b>	<b>1,859</b>	<b>567</b>	<b>31</b>	<b>116,676</b>
Total discounts at 25%	68	23,168	11,316	6,289	2,378	1,012	314	80	2	44,627
Total discounts at 50%	2	76	80	30	20	16	27	22	16	289
Total discounts at 100%	-	70	36	26	4	1	-	-	-	137
Total discounts at 100% - One Month Only	-	-	-	-	-	-	-	-	-	-
<b>TOTAL DISCOUNTS - shown as whole dwelling equivalent</b>	<b>18</b>	<b>5,900</b>	<b>2,905</b>	<b>1,613</b>	<b>608</b>	<b>262</b>	<b>92</b>	<b>31</b>	<b>9</b>	<b>11,438</b>
Number of dwellings in line 7 classed as second homes on 7 October 2024 (b/fwd from Flex Empty tab) from CTB Line	-	475	258	198	107	66	19	11	1	1,135
Long Term Empty Premium 1 - 2 years at 100%	-	-	-	-	-	-	-	-	-	-
Long Term Empty Premium 2 - 5 years at 100%	-	205	89	32	17	9	5	1	1	359
Long Term Empty Premium 5 - 10 years at 200%	-	43	3	4	1	-	-	-	-	51
Long Term Empty Premium +10 years at 300%	-	10	2	-	-	-	-	-	-	12
<b>LONG TERM EMPTY PREMIUM - impact of premium</b>	<b>-</b>	<b>321</b>	<b>101</b>	<b>40</b>	<b>19</b>	<b>9</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>497</b>
Estimated number of dwellings not listed but which will be listed in the band for	-	177	179	156	77	50	22	8	-	669
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	-	-
<b>TOTAL ADJUSTMENTS</b>	<b>-</b>	<b>178</b>	<b>165</b>	<b>142</b>	<b>92</b>	<b>58</b>	<b>23</b>	<b>11</b>	<b>-</b>	<b>669</b>
<b>LOCAL COUNCIL TAX SUPPORT SCHEME REDUCTIONS</b>	<b>44</b>	<b>9,101</b>	<b>3,128</b>	<b>971</b>	<b>229</b>	<b>57</b>	<b>14</b>	<b>3</b>	<b>-</b>	<b>13,547</b>
Estimated impact Local Council Tax Support demand	-	10	5	5	-	-	-	-	-	20
Family annexes discount at 50%	0	34	12	22	18	14	14	1	0	115
<b>FAMILY ANNEXES Line 21</b>	<b>0</b>	<b>17</b>	<b>6</b>	<b>11</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>1</b>	<b>-</b>	<b>58</b>
<b>TOTAL DWELLINGS (ROUNDED)</b>	<b>111</b>	<b>30,796</b>	<b>26,503</b>	<b>20,424</b>	<b>8,919</b>	<b>4,789</b>	<b>1,793</b>	<b>556</b>	<b>24</b>	<b>93,913</b>
<b>RATIO TO BAND D</b>	5	6	7	8	9	11	13	15	18	
	9	9	9	9	9	9	9	9	9	
<b>RELEVANT AMOUNTS FOR 2024/25</b>	<b>62</b>	<b>20,531</b>	<b>20,613</b>	<b>18,155</b>	<b>8,919</b>	<b>5,853</b>	<b>2,589</b>	<b>926</b>	<b>49</b>	<b>77,696</b>
<b>COLLECTION RATE</b>										<b>97.50%</b>
<b>ADJUSTED RELEVANT AMOUNT</b>	<b>60</b>	<b>20,017</b>	<b>20,098</b>	<b>17,701</b>	<b>8,695</b>	<b>5,707</b>	<b>2,525</b>	<b>903</b>	<b>47</b>	<b>75,753</b>
<b>MOD CONTRIBUTION</b>										<b>804</b>
<b>TAX BASE</b>										<b>76,557</b>

**C. Council Tax Base - Previous Years**

Band	2022/23			2023/24			2024/25		
	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Estimated Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent
A	47,824	97.5%	19,057	48,050	97.5%	19,508	48,156	97.5%	19,681
B	33,154	97.5%	19,389	33,261	97.5%	19,664	33,322	97.5%	19,776
C	23,484	97.5%	17,266	23,575	97.5%	17,420	23,641	97.5%	17,526
D	10,132	97.5%	8,443	10,213	97.5%	8,551	10,278	97.5%	8,567
E	5,159	97.5%	5,546	5,186	97.5%	5,578	5,206	97.5%	5,616
F	1,836	97.5%	2,411	1,859	97.5%	2,456	1,877	97.5%	2,477
G	611	97.5%	863	614	97.5%	862	618	97.5%	869
H	56	97.5%	39	55	97.5%	42	55	97.5%	45
Total	122,256		73,014	122,813		74,081	123,153		74,557
MOD			816			810			832
<b>Tax Base</b>			<b>73,830</b>			<b>74,891</b>			<b>75,389</b>