

TITLE	Council Tax Base - 2024/2025
FOR CONSIDERATION BY	Council on 18 January 2024
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Set the Council Tax Base for 2024/25 in respect of the whole Borough and all constituent parts so that each precepting body can subsequently set their Council Tax budgets for the year. The higher the tax base, the greater opportunity to generate much needed income to help fund council services.

RECOMMENDATION

Council is asked to:

- 1) Agree the proposed Council Tax Base, for the whole area and by Parish, as set out in the report.
- 2) Agree an additional 100% Council Tax long term empty property premium from 1 April 2024 for long term empty properties which have been empty and unfurnished for a period of one year (currently applied after two years).
- 3) Agree an additional premium of 100% for properties occupied periodically (Second Homes) which are unoccupied but furnished from 1st April 2025.

SUMMARY OF REPORT

Council Tax Base

The council tax base is the total number of Band D equivalent dwellings liable for Council Tax after discounts, exemptions.

Local authorities must ensure their council tax base for the forthcoming financial year is approved by Council, or a delegated body, by 31st January each year. This year's tax base calculation continues to include the significant changes to the council tax base from 1 April 2013 arising from the changes to the council tax benefits system. Financial support to individuals for council tax, formerly known as council tax benefit, is now offered as a discount within the council tax system, known as council tax reduction.

This year's tax base calculations show that there is a total of 74,003 properties on the Council Tax register as of 1st October 2023, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalent increases to 77,033.7 for 2024/25.

The proposed tax base for 2023/24 reflects an increase of 1.03% on the equivalent figure for the 2023/24 financial year.

A summary of the impact of the movements on the council tax base is as follows:

(i) The Borough had 76,455.3 properties on 1 October 2023 net of the loss due to any Council Tax Reduction.

(ii) The increase arising from the estimated new properties in 2024/25 and other changes is estimated at 1,175.9 band D equivalent properties.

(iii) The total of (i) to (ii) above is 77,631.2 properties. The bad debt provision for 2024/25 is 0.77% of this amount, i.e., 597.7 properties.

The net total of (i) to (iii) above is 77,033 properties as set out in the analysis.

Long Term Empty properties / Properties Occupied Periodically (Second Homes)

The Government encourages all billing authorities to adopt Council Tax premiums on empty properties with a view to incentivising property owners to bring those properties back into use at the earliest opportunity. A 100% premium can currently be charged where properties are left unoccupied and unfurnished for periods exceeding two years.

In May 2022, the Government published the Levelling Up and Regeneration Bill (the Bill). The Bill included proposals aimed at further addressing empty properties through the application of Council Tax premiums, in addition to measures which recognise the impact that high levels of second home ownership can have in some areas. Through the Bill the Government's intention was to:

Reduce the minimum period for the implementation of a Council Tax premium for empty and unfurnished premises from two years to one.

Allow Councils to introduce a Council Tax premium of up to 100% in respect of Properties Occupied Periodically (second homes) which are empty and furnished.

The Bill received Royal Assent in October 2023.

For premiums on Properties Occupied Periodically (second homes) the bill specifically says you must give at least 12 months' notice of a premium being introduced, whereas for long term empty property premiums you just need to have made the decision before the start of the year to which the decision relates.

Council Tax Base:

Background

The Local Authorities (Calculation of Tax Base) Regulations require the billing authority (Wokingham Borough Council) to notify its major precepting bodies (The Police and Fire Authorities) and its Parishes of the tax base for the following financial year. The precepting bodies may request this information between the 1st of December 2023 and 31st January 2024.

Analysis of Issues

The prescribed calculation is made as follows.

(i) A return is made to the Ministry of Housing, Communities and Local Government (form CTB1). This analyses the valuation list as at a prescribed date into the various property bands and then provides details of discounts and exemptions.

(ii) The Band D equivalent property numbers for tax purposes for the whole of the area are broken down into each constituent Parish area.

(iii) An adjustment is made to allow for the impact of council tax reduction grant (which reduces the Band D equivalent property numbers in each area and overall).

(iv) An estimate of unbanded and new properties expected to be banded during 2024/25 are added.

(v) An adjustment is then made to take account of bad debts. This has been reduced to 0.77% for 2024/25.

The resultant outcome reflects the tax base for the coming financial year in accordance with the table below:

TAX BASE BY PARISH & WHOLE DISTRICT – 2024/25

	<u>LOCAL TAX BASE 2024/25</u>	<u>LOCAL TAX BASE 2023/24 (last yr)</u>	<u>CHANGE FROM 2023/24 TO 2024/25</u>	<u>% CHANGE FROM 2023-24</u>
PARISHES				
ARBORFIELD & NEWLAND	1,299.00	1,279.10	19.90	1.56%
BARKHAM	2,460.60	2,336.80	123.80	5.30%
CHARVIL	1,474.50	1,473.20	1.30	0.09%
EARLEY	12,052.00	12,005.70	46.30	0.39%
FINCHAMPSTEAD	6,647.70	6,553.70	94.00	1.43%
REMENHAM	341.90	328.70	13.20	4.02%
RUSCOMBE	614.20	580.20	34.00	5.86%
ST. NICHOLAS HURST	1,125.30	1,106.70	18.60	1.68%
SHINFIELD	7,802.80	7,613.20	189.60	2.49%
SONNING	829.60	827.00	2.60	0.31%
SWALLOWFIELD	1,099.50	1,078.60	20.90	1.94%
TWYFORD	3,047.30	3,046.30	1.00	0.03%
WARGRAVE	2,155.60	2,143.50	12.10	0.56%
WINNERSH	4,432.70	4,433.80	(1.10)	-0.02%
WOKINGHAM TOWN	17,380.00	17,230.60	149.40	0.87%
WOKINGHAM WITHOUT	3,332.40	3,315.70	16.70	0.50%
WOODLEY	10,914.80	10,894.30	20.50	0.19%
WHOLE AREA	77,009.90	76,247.10	762.80	1.00%

Long Term Empty Properties

The Levelling up and Regeneration Bill received Royal Assent in October 2023.

The legislation provides for Local Authorities to charge an additional 100% Council Tax empty property premium from 1 April 2024, for long term empty properties which have been empty and unfurnished for a period of one year instead of the current period of two years:

The below table shows what additional income Wokingham Borough Council could generated from this change based on the current position. However, what must be considered is that some of the below properties may have changes or exemptions applied and therefore the income generated may be significantly lower than detailed.

Long Term Empty Properties Premium:

Band	Charge: 23yr	No.of empty accounts over 1 yr under 2 yrs	100% prem predicted 2024
A	£1,438.22	17	£24,449.74
B	£1,677.94	36	£60,405.84
C	£1,917.64	56	£107,387.84
D	£2,157.35	67	£144,542.45
E	£2,636.76	57	£150,295.32
F	£3,116.18	26	£81,020.68
G	£3,595.57	13	£46,742.41
H	£4,314.70	1	£4,314.70
	Total	273	£619,158.98

Properties Occupied Periodically:

The Local Authority currently charges all Properties Occupied Periodically (second homes) 100% Council Tax. However, the legislation (The Levelling up and Regeneration Bill) also provides Local Authorities to charge an additional premium of 100% for Properties Occupied Periodically (second homes) which are unoccupied but furnished from 1st April 2025.

The below table shows what additional income Wokingham Borough Council could generate from this change. However, what must be considered is that some of the below properties may change circumstances of have other exemptions applied and therefore the income generated may be significantly lower than detailed.

Band	Charge: 23yr	No.of empty but furnished accounts over 1 yr under 2 yrs	100% premium predicted 2025
A	£1,438.22	24	£34,517.28
B	£1,677.94	19	£31,880.86
C	£1,917.64	47	£90,129.08
D	£2,157.35	56	£120,811.60
E	£2,636.76	49	£129,201.24
F	£3,116.18	31	£96,601.58
G	£3,595.57	35	£125,844.95
H	£4,314.70	11	£47,461.70
	Total	272	£676,448.29

The report has been prepared in consultation with both Finance and Legal and any comments made have been reflected within the report.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	Yes	Revenue
Next Financial Year (Year 2)	N/A	Yes	Revenue
Following Financial Year (Year 3)	N/A	Yes	Revenue

Other financial information relevant to the Recommendation/Decision
The revised tax base and total grant allocation will inform the 2024/25 budget setting process and income generated will be included in the Medium-Term Financial Plan ultimately reported to and agreed by Council.

Cross-Council Implications
Council tax income contributes to the funding of all General Fund services.

Public Sector Equality Duty
An equalities assessment is not required in this instance as it relates to setting of the Council Tax Base and does not directly affect individuals.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
None

Reasons for considering the report in Part 2
N/A

List of Background Papers
Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 (“the 2018 Act”) which amended the relevant provisions of the Local Government Finance Act 1992 Local Government Finance act 1992 The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 S11B LGFA 1992

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