

TITLE	Council Tax Base - 23/24
FOR CONSIDERATION BY	Council on 19 January 2023
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Set the Council Tax Base for 2023/24 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.

Agree a premium of 300% (over the standard council tax) for Long Term Empty Properties for at least 5 years (but less than 10 years).

Agree a premium of 400% (over the standard council tax) for Long Term Empty Properties for over 10 years.

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 a premium of 300% for Long Term Empty Properties for at least 5 years (but less than 10 years).
- 3) Agree a premium of 400% for Long Term Empty Properties for over 10 years.

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 73,136 properties on the Council Tax register as of 1st October 2022, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalent increases to 76,247.1 for 2023/24.

The proposed tax base for 2023/24 reflects an increase of 1.74% on the equivalent figure for the 2022/23 financial year.

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

(i) The Borough had 75,454.4 properties on 1 October 2022 net of the loss due to any Council Tax Reduction.

(ii) The increase arising from the estimated new properties in 2023/24 and other changes is estimated at 1,384.2 band D equivalent properties.

(iii) The total of (i) to (ii) above is 76,836.6 properties. The bad debt provision for 2023/24 is 0.77% of this amount, i.e., 591.6 properties.

The net total of (i) to (iii) above is 76,245 properties as set out in the analysis.

Empty Homes Premium

Local Authorities have the ability to increase the Empty Homes Premium on long term empty properties (empty for five years or more) from 200% to 300% and over 10 years from 300% to 400%. This will encourage owners of those long-term empty homes to bring them back into use. There is a demand for housing, and it is important that we make best use of all our existing housing stock. This has numerous benefits: it helps to meet demand for housing; providing safe, secure, and affordable homes, builds local communities and improves the quality of the local environment.

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 2022 and 31st January 2023.

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 2023/24 are added.

(v) An adjustment is then made to take account of bad debts. This has been reduced to 0.77% for 2023/24.

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

TAX BASE BY PARISH & WHOLE DISTRICT – 2023/24

	LOCAL TAX BASE 2023/24	LOCAL TAX BASE 2022/23 (last yr)	CHANGE FROM 2022/23 TO 2023/24	% CHANGE FROM 2022/23
PARISHES				
ARBORFIELD & NEWLAND	1,279.10	1,298.90	(19.80)	-1.52%
BARKHAM	2,336.80	2,158.90	177.90	8.24%
CHARVIL	1,473.20	1,464.90	8.30	0.57%
EARLEY	12,005.70	11,974.90	30.80	0.26%
FINCHAMPSTEAD	6,553.70	6,295.60	258.10	4.10%
REMENHAM	328.70	327.30	1.40	0.43%
RUSCOMBE	580.20	545.70	34.50	6.32%
ST. NICHOLAS HURST	1,106.70	1,104.00	2.70	0.24%
SHINFIELD	7,613.20	7,356.10	257.10	3.50%
SONNING	827.00	829.50	(2.50)	-0.30%
SWALLOWFIELD	1,078.60	1,077.80	0.80	0.07%
TWYFORD	3,046.30	3,026.40	19.90	0.66%
WARGRAVE	2,143.50	2,150.90	(7.40)	-0.34%
WINNERSH	4,433.80	4,465.30	(31.50)	-0.71%
WOKINGHAM TOWN	17,230.60	16,712.90	517.70	3.10%
WOKINGHAM WITHOUT	3,315.70	3,299.40	16.30	0.49%
WOODLEY	10,894.30	10,857.80	36.50	0.34%
WHOLE AREA	76,247.10	74,946.30	1,300.80	1.74%

Long Term Empty Premium:

Background

The Local Government Finance Act 1992 allows Local Authorities to increase the volume of their local housing stock by incentivising property owners to bring long term empty homes back into use to provide safe, secure, and affordable homes. This will support local communities by increasing the supply of affordable housing and enhancing the sustainability of local communities without the necessity of additional new build properties.

A certain level of empty homes is inevitable due to housing market 'churn'; however, long term empty properties are more likely to deteriorate and may result in associated anti-social behaviour in an area. There are a variety of reasons why properties remain empty, but it is

important to try and encourage homeowners to bring empty properties back into use particularly with the current pressure on finding housing for residents.

Analysis of Issues

There are currently 21 properties between 5–10 years, if the premium was increased to 300% this would generate an estimated additional income of £71,000. There are currently 5 properties over 10 years and if this premium was increase to 400% an additional income of £26,000 could be generated.

There are however certain exemptions to these premiums being applied. These include but not limited to premises owned by members of the armed forces, annexes and properties that are genuinely on the market for sale or let. These are not included in the above property numbers.

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 severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources 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 be factored in to the 2023/24 budget setting process.

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

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 – 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

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

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