

CABINET

Date of Meeting	Tuesday, 20 th December 2022
Report Subject	Council Tax Base 2023/24
Cabinet Member	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Report Author	Chief Officer (Governance)
Type of Report	Operational

EXECUTIVE SUMMARY

Setting of the Council Tax Base is integral to the revenue budget and Council Tax setting process for 2023/24 and allows the Council, Police & Crime Commissioners Office for North Wales and Town/Community Councils to calculate their own precept for next year.

The Base for has been calculated at 65,815 Band 'D' equivalent properties, after considering the total number of properties that will be subject to Council Tax, less those which are exempt from Council Tax or where statutory household discounts apply.

Setting the Tax Base at 65,815 Band 'D' equivalents includes an up-lift in the Council Tax Premium rates to 75% for Long Term Empty properties and 100% for Second Homes from April 2023. Overall, this represents growth in the Tax Base of 0.95% compared to the previous year, representing to an extra 621 Band D equivalent properties after considering the natural movement in new builds, discounts, exemptions, and premium rates.

RECOMMENDATIONS

1	Approve the Tax Base of 65,815 band D equivalent properties for tax setting purposes (as shown in Appendix 1) for the financial year 2023/24.
2	Continue to set a 'nil' discount for properties falling within any of the Prescribed Classes (A, B or C) and for this to apply to the whole of the County area.
3	For the purposes of setting the Tax Base, the Base incorporates planned changes to the Council Tax Premium Rates from April 2023 and reflects an up-lift from 50% to 75% for Long Term Empty properties and 100% for Second Homes.

REPORT DETAILS

1.00	EXPLAINING THE COUNCIL TAX BASE FOR 2023/24
1.01	The Council fulfils the role of 'billing authority' for the collection of Council Tax and each year is required to set the Council Tax Base for the following tax year.
1.02	The calculation of the Base, expressed as an equivalent number of Band 'D' properties, is always set as at the end of the calendar year which then allows the Council, the Police & Crime Commissioner for North Wales and Town/Community Council's to calculate the next financial year's Council Tax precepts.
1.03	The Council has previously decided to use discretionary powers to charge a 50% Council Tax Premium on long term empty homes and second homes. The Tax Base for 2023/24 incorporates planned changes to the Council Tax Premium Rates from April 2023 and reflects an up-lift from 50% to 75% for Long Term Empty properties and 100% for Second Homes.
1.04	Once approved, the Tax Base calculations (before adjusting for the assumed losses in collection) are also supplied to Welsh Government and are then used for the calculation of entitlements to Revenue Support Grant and this figure will appear in The Local Government Finance Report (No 1) (Wales) 2023/24. This information will also be published in a national statistical release in January 2023.
1.05	The calculation of the Tax Base is the measure of the annual taxable capacity for all areas in the County, including the additional taxable capacity for the Council Tax Premium, and is calculated in accordance with prescribed rules. The starting point for determining the Base is the Valuation List supplied by the Valuation Office Agency. The total number of properties in each band is then reduced by exemptions, disregards, and discounts. Discounts include, for example, reductions for single-persons or students.
1.06	Due to housebuilding and good tax base management by reviewing discounts and exemptions the number of Band D equivalent properties has increased by 0.61% or 398 properties. The change in council tax premium rates has also resulted in an increase in the council tax base of 0.34% or 223 properties.
1.07	The latest Tax Base has been calculated using a projected collection level of 98.8% - 0.3% higher than the previous years' Tax Base. In other words, setting an assumed collection level of 98.8% is the level at which the Council may eventually collect from what is due to be paid - allowing for an overall provision of 1.2% for potential bad debts.
1.08	To determine the final level of the Base, the Council is also required to determine what discount, if any, is awarded to owners of second or holiday homes (otherwise known as Prescribed Discount Class A and B

	properties) or long-term empty properties (Prescribed Discount Class C).
1.09	The Council Tax Base for 2023/24 has also been calculated in line with current policies of not awarding discounts to any Prescribed Class coupled with the fact that some properties are liable to pay the Premium at the revised rates.
1.10	The continuation of the Council Tax Discount scheme for Local Authority Foster Carers from April 2023 is not incorporated into the Tax Base since locally funded discretionary discounts or exemptions made by billing authorities under section 13a of the Local Government Finance Act 1992 are specifically excluded from the Tax Base calculations. This is because any decrease in the Tax Base made because of such discounts or exemptions would lead to an increase in entitlement to Revenue Support Grant (RSG) and hence to the discounts being funded by central rather than local government.

2.00	RESOURCE IMPLICATIONS
2.01	Setting the Tax Base is part of an annual process of determining Council Tax charges for the next financial year as part of the Councils budget preparations.
2.02	The Tax Base is also used by the Police & Crime Commissioner and Town/Community Council's to set their new Council Tax precepts, and which will be included in the 2023/24 bills sent to every Council Taxpayer.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The Council has a statutory duty to set a Council Tax Base by no later than 31 st December and the proposed Tax Base is a complex calculation across 34 Town and Community areas requiring an accurate forecast for the next financial year of the number of chargeable properties after considering new builds, property exemptions and discount schemes, including those properties that are subject to the Council Tax Premium scheme and revised rates.
3.02	The Tax Base is based on current property data and discount but includes a bad debt provision of 1.2% for non-collection, giving a forecasted eventual collection rate of 98.8%.
3.03	The Council Tax Base at 65,815 sets a Base at an accurate level to ensure, as far as possible, that a deficit does not occur in the Collection Fund.
3.04	Officers carefully track and monitor the Tax Base and Collection Fund performance and the results feed into corporate monthly budget monitoring and reporting processes.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None.

5.00	APPENDICES
5.01	Appendix 1 to this report shows the breakdown of the Tax Base for 2023/24 by Town and Community area.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Local Government Finance Act 1992 – sections 22b(7) and 68 • Local Authorities (Calculation of Council Tax Base) (Wales) Regs 1995 • The Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regs 2016 • Council Tax (Prescribed Classes of Dwellings) (Wales) Regs 2004 • Housing (Wales) Act 2014 – section 139

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: David Barnes, Revenues & Procurement Manager Telephone: 01352 703652 E-mail: david.barnes@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to partly fund services, alongside revenue from Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although the freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p>Tax Base: is a measure of the Councils ‘taxable capacity’ taking into account the number of chargeable properties after exemptions and discounts.</p> <p>Chargeable Dwellings: are properties deemed to fall liable to Council Tax which are listed in the Valuation List.</p> <p>Prescribed Discount Classes: Special rules apply to certain dwellings where no-one is resident. In these cases, a Welsh billing authority may decide to apply a lower rate of discount or, to apply no discount at all. These classes are:</p>

- Class A – property which is unoccupied and furnished but where occupation is prohibited by law for over 28 days each year
- Class B – property which is unoccupied and furnished and where occupation is not prohibited by law
- Class C – property which is unoccupied and substantially unfurnished beyond the normal exemption period.

Council Tax Premium: an additional amount of Council Tax of up to 300% (a premium) can be charged by local authorities in Wales for property defined as either being second homes or long-term empty property. For the purposes of charging a premium a long-term empty home is defined as a property which is unoccupied and substantially unfurnished for a continuous period of at least 1 year. A second home is defined as a dwelling which is not a person's sole or main residence and is substantially furnished. There are some exceptions from the Council Tax premium, some of which are time limited.