

Cabinet Report



Listening Learning Leading

Report of Head of Finance

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To: CABINET on 30 November 2023

To: Council on 14 December 2023

Council tax base 2024/25

Recommendations

That Cabinet recommends Council to:

- (a) Approve the report of the head of finance for the calculation of the council's tax base and the calculation of the tax base for each parish area for 2024/2025.
- (b) Agree that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by South Oxfordshire District Council as its council tax base for the year 2024/25 be 62,683.2.
- (c) Agree that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by South Oxfordshire District Council as the council tax base for the year 2024/25 for each parish be the amount shown against the name of that parish in Appendix A of the report of the head of finance to Cabinet on 30 November 2023.

Purpose of Report

1. The purpose of this report is to ask Cabinet to recommend the council tax base for 2024/25 to Council for approval.

Corporate Objectives

2. The calculation of the tax base is a legal requirement and an essential part of the tax setting process which helps to achieve the council's corporate objectives.

Background

3. Before the council tax can be set by the council, a calculation has to be made of the council tax base, which is an estimate of the taxable resources for the district as a whole and for each parish area.
4. The council tax base for the district has to be notified to Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley by 31 January 2024. Each parish and town council is also notified of the figure for its area.
5. The legislation requires that the council tax base is approved by full council or a non-executive body with delegated powers. No such delegation exists, so cabinet is therefore asked to recommend to council the schedule set out in **Appendix A** as the council tax base for the district as a whole and for each parish area.

Options - Calculation of the tax base

6. The starting point for the calculation is the total number of dwellings and their council tax band.
7. The council then allows for the following information, for each band:
 - (a) dwellings which will be entirely exempt so no tax is payable (e.g., those occupied entirely by students)
 - (b) dwellings which will attract a 25 per cent reduction (e.g., those with a single adult occupier)
 - (c) dwellings which will attract a 50 per cent reduction (e.g., those where all of the adult residents qualify for a reduction)
 - (d) dwellings which will be treated as being in a lower band because they have been adapted for a severely disabled person. The regulations provide methodology to take account of the reduction available to those in band A dwellings
 - (e) dwellings which will be on the valuation list but which attract discounts or disablement relief or are exempt, for only part of the year
8. Each band is then converted into "band D equivalents" by applying the factor laid down by legislation. For example, a band A dwelling is equal to $\frac{2}{3}$ of a band D dwelling and is therefore multiplied by $\frac{2}{3}$ to arrive at the band D equivalent figure, whilst a band H dwelling is equal to twice a Band D dwelling and is therefore multiplied by two to arrive at the Band D equivalent figure. All these are then added together to give a total of band D equivalents.

9. A final adjustment is required to allow for non-collection. The council is required to decide what its collection rate is likely to be and apply this to its council tax base. Historically the council has assumed a 98 per cent collection rate, however, it would be more appropriate for this to be set at 98.5 per cent for 2024/25. A bad debt provision of 1.5 per cent is therefore proposed for 2024/25.

Taxbase for 2024/25

10. Based on the assumptions detailed above the council tax base for 2024/25 is 62,683.2.
11. Similar calculations are required for each parish in order to calculate the proportion of the district's tax base which relates to its area. A schedule of the tax base for each parish is set out in **Appendix A**.
12. To calculate the council tax amounts payable per property band for the council, its council tax requirement (i.e., the amount of council tax to be raised) is divided by the Band D equivalent (tax base). This will be finalised during January and February, culminating in the council tax being set by council in February 2024 (the exact date is subject to the council being notified of the major precepting authorities' council tax requirements).

Financial Implications

13. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. For South, the position reflected in the council's medium-term financial plan (MTFP) as reported to full Council in February 2023 showed that it is due to receive £644,000 less in revenue funding than it plans to spend in 2023/24 (with the balance coming from reserves), with this budget gap expected to continue in future years. However there is great uncertainty over this caused by a lack of clarity from government.
14. The future funding gap is predicted to increase to over £8.5 million by 2027/28, based on current cautious officer estimates of future funding levels. Whilst it is anticipated that overall funding for the council will remain relatively unchanged in 2024/25, the lack of certainty on future local government funding from 2025/26 onwards means the level of funding, and the resulting estimated funding gap, could be significantly different from current officer estimates in either a positive or negative way. Every financial decision, particularly those involving long-term funding commitments (i.e. those beyond 2024/25), needs to be cognisant of the potential for significant funding gaps in future years.

Legal Implications

15. These are set out in the body of the report.

Climate and ecological impact implications

16. There are no direct climate and ecological implications arising from this report

Equalities implications

17. The calculation of the tax base is a legal requirement and there are no equalities implications with this process.

Risks

18. The council's methodology for calculating the tax base involves basing the calculation on actual dwellings at a certain point in time, rather than forecasting on potential new dwellings that may be built in the future. Because of this the risk exposure is considered to be low.

Other Implications

19. n/a

Conclusion

20. As covered above, the calculation of the tax base is a legal requirement and it is asked that Cabinet recommends the council tax base for 2024/25 to Council for approval in accordance with Appendix A.

Background Papers

None

Appendix A

PARISH COUNCIL TAX BASES - 2024-25

PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2024-25	NUMBER OF DWELLINGS 2023-24	PARISH TAX BASE 2024-25	PARISH TAX BASE 2023-24	% CHANGE ON YEAR	PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2024-25	NUMBER OF DWELLINGS 2023-24	PARISH TAX BASE 2024-25	PARISH TAX BASE 2023-24	% CHANGE ON YEAR
Adwell	16	16	15.7	15.1	4.0%	Sandford on Thames	582	581	499.9	497.9	0.4%
Aston Rowant	353	352	435.7	436.0	-0.1%	Shiplake	753	744	1,045.3	1,020.8	2.4%
Aston Tirrold & Upthorpe	238	231	288.1	277.0	4.0%	Shirburn	55	55	63.0	62.1	1.4%
Beckley & Stowood	256	257	287.5	288.3	-0.3%	Sonning Common	1,806	1783	1,793.8	1,763.5	1.7%
Benson	2,176	2065	2,170.6	2,039.0	6.5%	South Moreton	133	133	132.1	129.5	2.0%
Berinsfield	1,112	1111	683.7	673.9	1.5%	South Stoke	226	222	236.4	230.4	2.6%
Berrick Salome	131	131	179.6	176.1	2.0%	Stadhampton	401	396	408.0	402.0	1.5%
Binfield Heath	290	288	333.0	325.8	2.2%	Stanton St John	190	189	224.2	226.0	-0.8%
Bix & Assendon	263	265	341.5	340.1	0.4%	Stoke Row	286	282	348.5	343.1	1.6%
Brightwell Baldwin	85	83	105.0	110.1	-4.6%	Stoke Talmage	27	27	35.3	34.4	2.6%
Brightwell cum Sotwell	657	657	698.1	701.1	-0.4%	Swyncombe	119	118	146.7	145.0	1.2%
Britwell Salome	87	87	105.7	104.4	1.2%	Sydenham	152	151	169.9	167.4	1.5%
Chalgrove	1,268	1245	1,163.3	1,158.8	0.4%	Tetsworth	335	336	347.3	340.5	2.0%
Checkendon	219	219	254.0	254.4	-0.2%	Thame	5,793	5775	5,066.7	5,030.5	0.7%
Chinnor	3,248	3171	3,025.6	2,949.4	2.6%	Tiddington with Albury	281	281	270.7	268.9	0.7%
Cholsey	1,973	1893	1,765.2	1,678.5	5.2%	Toot Baldon	64	62	80.1	75.0	6.8%
Clifton Hampden	255	256	293.4	293.1	0.1%	Towersey	190	186	201.7	197.6	2.1%
Crowell	54	47	65.8	57.9	13.6%	Wallingford	3,961	3885	3,249.8	3,167.5	2.6%
Crowmarsh	955	856	921.5	832.0	10.8%	Warborough	466	460	527.0	515.1	2.3%
Cuddesdon & Denton	211	210	193.1	187.9	2.8%	Waterperry with Thomley	81	83	90.4	95.9	-5.7%
Culham	176	175	186.3	184.6	0.9%	Waterstock	44	44	51.9	51.6	0.6%
Cuxham with Easington	60	60	62.2	65.6	-5.2%	Watlington	1,379	1295	1,309.1	1,224.7	6.9%
Didcot	13,943	13676	11,035.3	10,767.8	2.5%	West Hagbourne	120	120	132.0	127.0	3.9%
Dorchester	481	482	559.2	556.6	0.5%	Wheatfield	11	11	16.0	15.8	1.3%
Drayton St Leonard	117	117	133.9	133.3	0.5%	Wheatley	1,944	1941	1,804.4	1,788.5	0.9%
East Hagbourne	512	504	527.4	516.4	2.1%	Whitchurch on Thames	336	336	409.3	410.0	-0.2%
Elsfield	47	47	53.0	53.2	-0.4%	Woodcote	1,086	1059	1,092.9	1,064.5	2.7%
Ewelme	431	431	369.3	392.3	-5.9%	Woodeaton	29	29	37.0	37.4	-1.1%
Eye & Dunsden	155	156	196.1	190.4	3.0%	TOTAL	65,984	64,880	62,683.2	61,349.5	2.2%
Forest Hill with Shotover	422	421	387.4	381.5	1.5%		1.7%		2.2%		
Garsington	811	792	736.6	715.9	2.9%						
Goring	1,581	1572	1,782.2	1,753.7	1.6%						
Goring Heath	507	506	600.9	592.4	1.4%						
Great Haseley	255	252	275.7	267.0	3.3%						
Great Milton	355	353	340.0	328.0	3.7%						
Harpsden	161	160	229.7	225.6	1.8%						
Henley on Thames	6,204	6146	6,177.1	6,102.7	1.2%						
Highmoor	145	143	186.8	177.2	5.4%						
Holton	169	165	200.4	188.8	6.1%						
Horspath	620	620	625.2	626.2	-0.2%						
Ipsden	158	157	168.0	166.2	1.1%						
Kidmore End	542	542	710.5	706.4	0.6%						
Lewknor	308	308	333.0	328.9	1.2%						
Little Milton	206	206	214.8	215.1	-0.1%						
Little Wittenham	28	28	34.6	34.3	0.9%						
Long Wittenham	394	363	381.1	346.8	9.9%						
Mapledurham	130	130	134.0	130.3	2.8%						
Marsh Baldon	126	118	138.5	128.1	8.1%						
Moulsford	218	218	255.7	255.3	0.2%						
Nettlebed	345	346	378.4	372.1	1.7%						
Newington	46	46	57.9	59.0	-1.9%						
North Moreton	162	161	195.6	194.2	0.7%						
Nuffield	225	226	247.3	245.8	0.6%						
Nuneham Courtenay	104	105	112.9	106.7	5.8%						
Pishill with Stonor	146	145	193.8	191.5	1.2%						
Pyrton	104	92	128.5	117.5	9.4%						
Rotherfield Greys	193	189	259.8	253.2	2.6%						
Rotherfield Peppard	700	698	958.6	947.4	1.2%						