

Cabinet Report



Report of Head of Finance

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To: CABINET on 1 December 2023

To: COUNCIL on 13 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 2024/25.
- (b) Agree that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as its council tax base for the year 2024/25 be 58,103.8.
- (c) Agree that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse 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 1 December 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 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 58,103.8.
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 Vale, the position reflected in the council's medium-term financial plan (MTFP) as reported to Full Council in February 2023 showed that the council was able to set a balanced budget for 2023/24, but that there is expected to be a budget gap 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 £7.8 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 medium-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
ABINGDON	15,214	15035	12,646.3	12,467.9	1.43%
APPLEFORD	147	146	168.1	163.8	2.63%
APPLETON WITH EATON	405	403	458.2	457.9	0.07%
ARDINGTON AND LOCKINGE	232	228	235.3	229.8	2.39%
ASHBURY	267	259	283.4	274.3	3.32%
BAULKING	44	42	51.8	49.9	3.81%
BESSELSLEIGH	69	66	82.1	78.1	5.12%
BLEWBURY	821	813	748.0	745.0	0.40%
BOURTON	136	138	151.7	151.0	0.46%
BUCKLAND	265	266	337.8	337.3	0.15%
BUSCOT	87	87	86.9	86.0	1.05%
CHARNEY BASSETT	128	127	153.5	153.7	-0.13%
CHILDREY	228	228	244.5	240.6	1.62%
CHILTON	674	673	701.5	692.5	1.30%
COLESHILL	74	74	69.1	68.1	1.47%
COMPTON BEAUCHAMP	31	31	38.2	39.4	-3.05%
CUMNOR	2,856	2833	3,039.2	3,020.3	0.63%
DENCHWORTH	84	84	88.6	88.8	-0.23%
DRAYTON	1,279	1274	1,215.0	1,209.0	0.50%
EAST CHALLOW	541	502	479.0	435.4	10.01%
EAST HANNEY	574	544	619.8	598.7	3.52%
EAST HENDRED	610	607	636.2	630.0	0.98%
EATON HASTINGS	35	35	35.0	34.8	0.57%
FARINGDON	4,083	3935	3,357.4	3,208.8	4.63%
FERNHAM	103	103	124.6	122.9	1.38%
FRILFORD	105	102	149.5	141.6	5.58%
FYFIELD AND TUBNEY	200	201	244.9	247.7	-1.13%
GARFORD	70	70	84.5	83.4	1.32%
GOOSEY	60	57	68.9	66.9	2.99%
GREAT COXWELL	164	164	191.7	195.8	-2.09%
GROVE	3,994	3835	3,380.5	3,249.1	4.04%
HARWELL (*)	1,399	1396	1,358.0	1,347.8	0.76%
WESTERN VALLEY	958	889	792.5	743.6	N/A
HATFORD	39	38	48.9	47.9	2.09%
HINTON WALDRIST	154	153	156.5	157.0	-0.32%
KENNINGTON	1,788	1784	1,736.7	1,725.6	0.64%
KINGSTON BAGPUIZE AND SOUTHM	1,778	1746	1,810.0	1,766.8	2.45%
KINGSTON LISLE	113	112	120.4	117.5	2.47%
LETCOMBE BASSETT	78	79	90.6	93.4	-3.00%
LETCOMBE REGIS	387	386	364.7	362.1	0.72%
LITTLE COXWELL	68	70	81.4	81.6	-0.25%
LITTLEWORTH	98	97	125.8	123.5	1.86%
LONGCOT	241	241	247.2	251.0	-1.51%
LONGWORTH	252	250	291.1	285.8	1.85%
LYFORD	23	23	24.9	25.8	-3.49%
MARCHAM	966	946	955.6	931.4	2.60%
MILTON	777	710	759.0	691.5	9.76%
NORTH HINKSEY	2,659	2599	2,203.5	2,168.7	1.60%
PUSEY	30	30	40.8	40.4	0.99%
RADLEY	1,241	1118	1,131.7	1,002.2	12.92%
ST HELEN WITHOUT	855	856	841.1	834.6	0.78%
SHELLINGFORD	87	87	87.4	84.3	3.68%
SHRIVENHAM	1,554	1468	1,520.9	1,444.1	5.32%
SOUTH HINKSEY	174	173	201.6	199.9	0.85%
SPARSHOLT	140	140	154.2	154.5	-0.19%
STANFORD IN THE VALE	1,153	1109	1,066.9	1,024.2	4.17%
STEVENTON	937	932	894.5	883.0	1.30%
SUNNINGWELL	384	385	449.1	451.8	-0.60%
SUTTON COURTENAY	1,341	1285	1,289.3	1,215.9	6.04%
UFFINGTON	369	365	377.0	370.2	1.84%
UPTON	185	184	225.4	225.8	-0.18%
WANTAGE	6,474	6215	5,487.7	5,281.8	3.90%
WATCHFIELD	1,139	1139	1,039.0	1,035.0	0.39%
WEST CHALLOW	99	99	112.3	111.2	0.99%
WEST HANNEY	274	261	321.0	303.4	5.80%
WEST HENDRED	151	150	171.8	166.4	3.25%
WOOLSTONE	62	62	80.0	78.6	1.78%
WOOTTON	1,198	1199	1,188.3	1,182.4	0.50%
WYTHAM	73	73	85.8	85.7	0.12%
TOTAL	63,278	61,811	58,103.8	56,665.0	
% increase compared to last year	2.4%		2.5%		