

Cabinet Report



Report of Head of Finance

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To: CABINET on 2 December 2022

To: COUNCIL on 7 December 2022

Council tax base 2023/24

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 2023/24.
- (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 2023/24 is 56,664.9.
- (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 2023/24 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 2 December 2022

Purpose of Report

1. The purpose of this report is to ask Cabinet to recommend the council tax base for 2023/24 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 2023. 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. For the 2022/23 tax the council assumed 98 per cent would eventually be collected and it is proposed to use 98 per cent again in 2023/24.

Taxbase for 2023/24

10. Based on the assumptions detailed above, the council tax base for 2023/24 is **56,664.9**
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**. This includes a parish split (Harwell) from 1 April 2023, with the forming of a new parish, referred to within Appendix A as Harwell East. All dwellings within the new Harwell East boundary will be transferring from the existing Harwell parish.
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 on **15 February 2023** (this date is subject to the council being notified of the major precepting authorities' council tax requirements).

Climate and ecological impact implications

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

Financial Implications

14. 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 2022 showed that the council was able to set a balanced budget for 2022/23, but that there is expected to be a budget gap in future years.
15. This future funding gap is predicted to increase to over £3.7 million by 2026/27. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisant of the need to address this funding gap in future years.
16. The financial implications and calculations for the tax base are set out in the body of the report.

Legal Implications

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

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 2023/24 to Council for approval in accordance with Appendix A.

Background Papers

None

APPENDIX A

PARISH COUNCIL TAX BASES - 2023-24

PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2023-24	NUMBER OF DWELLINGS 2022-23	PARISH TAX BASE 2023-24	PARISH TAX BASE 2022-23	% CHANGE ON YEAR
ABINGDON	15,035	14989	12,467.9	12,384.5	0.67%
APPLEFORD	146	147	163.8	165.6	-1.09%
APPLETON WITH EATON	403	402	457.9	459.3	-0.30%
ARDINGTON AND LOCKINGE	228	223	229.8	222.7	3.19%
ASHBURY	259	259	274.3	276.7	-0.87%
BAULKING	42	40	49.9	48.6	2.67%
BESSELSLEIGH	66	47	78.1	54.8	42.52%
BLEWBURY	813	814	745.0	747.2	-0.29%
BOURTON	138	138	151.0	152.0	-0.66%
BUCKLAND	266	265	337.3	335.8	0.45%
BUSCOT	87	87	86.0	87.8	-2.05%
CHARNEY BASSETT	127	126	153.7	152.7	0.65%
CHILDREY	228	228	240.6	240.6	0.00%
CHILTON	673	674	692.5	693.5	-0.14%
COLESHILL	74	73	68.1	68.2	-0.15%
COMPTON BEAUCHAMP	31	30	39.4	38.5	2.34%
CUMNOR	2,833	2811	3,020.3	3,011.6	0.29%
DENCHWORTH	84	82	88.8	85.3	4.10%
DRAYTON	1,274	1271	1,209.0	1,199.1	0.83%
EAST CHALLOW	502	438	435.4	374.8	16.17%
EAST HANNEY	544	523	598.7	576.0	3.94%
EAST HENDRED	607	606	630.0	627.3	0.43%
EATON HASTINGS	35	35	34.8	34.6	0.58%
FARINGDON	3,935	3846	3,208.8	3,131.3	2.48%
FERNHAM	103	102	122.9	117.2	4.86%
FRILFORD	102	100	141.6	139.1	1.80%
FYFIELD AND TUBNEY	201	202	247.7	242.7	2.06%
GARFORD	70	70	83.4	82.6	0.97%
GOOSEY	57	57	66.9	66.4	0.75%
GREAT COXWELL	164	160	195.8	189.9	3.11%
GROVE	3,835	3672	3,249.1	3,096.8	4.92%
HARWELL (*)	1,396	2241	1,347.8	2,033.6	-33.72%
HARWELL EAST(*)	889	0	743.6	N/A	N/A
HATFORD	38	37	47.9	46.5	3.01%
HINTON WALDRIST	153	153	157.0	154.3	1.75%
KENNINGTON	1,784	1780	1,725.6	1,714.0	0.68%
KINGSTON BAGPUIZE AND SOUTHM	1,746	1656	1,766.8	1,674.5	5.51%
KINGSTON LISLE	112	112	117.5	120.1	-2.16%
LETCOMBE BASSETT	79	79	93.4	93.8	-0.43%
LETCOMBE REGIS	386	386	362.1	361.5	0.17%
LITTLE COXWELL	70	70	81.6	80.8	0.99%
LITTLEWORTH	97	97	123.5	122.0	1.23%
LONGCOT	241	237	251.0	243.0	3.29%
LONGWORTH	250	248	285.8	281.3	1.60%
LYFORD	23	23	25.8	26.0	-0.77%
MARCHAM	946	935	931.4	931.4	0.00%
MILTON	710	660	691.5	628.9	9.95%
NORTH HINKSEY	2,599	2331	2,168.7	1,975.1	9.80%
PUSEY	30	29	40.4	38.7	4.39%
RADLEY	1,118	1059	1,002.2	937.7	6.88%
ST HELEN WITHOUT	856	852	834.6	850.3	-1.85%
SHELLINGFORD	87	87	84.3	85.4	-1.29%
SHRIVENHAM	1,468	1364	1,444.1	1,361.8	6.04%
SOUTH HINKSEY	173	176	199.9	202.9	-1.48%
SPARSHOLT	140	140	154.5	155.8	-0.83%
STANFORD IN THE VALE	1,109	1045	1,024.2	969.1	5.69%
STEVENTON	932	933	883.0	878.3	0.54%
SUNNINGWELL	385	384	451.8	453.3	-0.33%
SUTTON COURTENAY	1,285	1281	1,215.9	1,212.3	0.30%
UFFINGTON	365	365	370.2	364.9	1.45%
UPTON	184	181	225.8	214.1	5.46%
WANTAGE	6,215	6049	5,281.8	5,087.3	3.82%
WATCHFIELD	1,139	1128	1,035.0	1,033.6	0.14%
WEST CHALLOW	99	97	111.2	110.4	0.72%
WEST HANNEY	261	260	303.4	302.1	0.43%
WEST HENDRED	150	149	166.4	166.3	0.06%
WOOLSTONE	62	62	78.6	78.3	0.38%
WOOTTON	1,199	1199	1,182.4	1,185.0	-0.22%
WYTHAM	73	73	85.7	85.2	0.59%
TOTAL	61,811	60,475	56,664.9	55,362.8	2.35%
(% Change on year)	2.21%		2.35%		

(*) Boundary change - Harwell East is a newly created parish (split from Harwell Parish), with all properties previously falling within Harwell Parish. Please note, the Parish name for Harwell East is likely to be subject to change