

Meeting: Council

Date: 7 December 2023

Wards Affected: All Wards

Report Title: Council Tax Base 2024/25

Is the decision a key decision? Yes

When does the decision need to be implemented?

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1. Purpose of Report

- 1.1 The Council is required to determine its Tax Base for Council Tax purposes for 2024/25 during the period 1 December 2023 to 31 January 2024 and the level of Council Tax subsequently set must use this base figure. The Tax Base calculation is provided in Appendix 1.
- 1.2 The Council, as a billing authority, is required to calculate a separate Tax Base for the Brixham Town Council area. A Tax Base calculation for this area is provided in Appendix 2.

2. Reason for Proposal and its benefits

- 2.1 The calculation of the Council Tax Base for both Torbay and Brixham Town Council is a statutory requirement in the annual budget setting process.

For more detailed information on this proposal please refer to the supporting information.

3. Recommendations

- 3.1 **That the calculation of the Torbay Council Tax Base for the year 2024/25 be approved as detailed in Appendix 1.**
- 3.2 **That the calculation of the Brixham Town Council Tax Base for the year 2024/25 be approved as detailed in Appendix 2.**
- 3.3 **That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as its Council Tax base for the year 2024/25 should be 47,374.08.**

- 3.4 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as the Council Tax base for Brixham Town Council for the year 2024/25 should be 6,251.14.**
- 3.5 That, from April 2025 the Council adopts a 100% Council Tax premium in respect of second homes (as previously approved at Council on 8th December 2022)**
- 3.6 That, from April 2024 the Council adopts a 100% Council Tax premium in respect of empty premises that have been left unoccupied and substantially unfurnished for a period of between 1 and 2 years (as previously approved at Council on 8th December 2022)**

Appendices

Appendix 1: The calculation of Torbay Council Tax Base 2024/25

Appendix 2: The calculation of Brixham Town Council Tax Base 2024/25

Supporting Information

1. Position

Taxbase

- 1.1 The Council is statutorily required to establish a base figure for the purpose of setting the level of Council Tax each year – the “Tax Base”. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.2 The Regulations require this calculation to be made between 1st December 2023 and 31st January 2024 and for this figure to be notified to precepting authorities by the 31st January 2024. For the year commencing 1st April 2024, the precepting authorities are Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and, as a local precepting authority, Brixham Town Council.
- 1.3 Torbay Council, together with precepting authorities, are required to use the tax base calculated by Torbay Council, as the billing authority, to determine their basic amounts of Council Tax for 2024/25.
- 1.4 The calculation of the tax base is prescribed by statute. It reflects the aggregate of the “relevant amounts” for each valuation band, (including the impact from Council Tax Support Scheme), multiplied by the anticipated collection rate for the year. The calculation for the Council’s tax base is detailed in Appendix 1 and the calculation for Brixham Town Council is detailed in Appendix 2.
- 1.5 The calculation of the relevant amount begins with the actual number of dwellings on the “relevant date”. For 2024/25 this is the 30th November 2023. This number of dwellings is adjusted to make allowance for estimated variations to the list and for the impact of allowed discounts to certain classes of dwellings.
- 1.6 The impact of the Council Tax Support Scheme, including the impact of the exceptional hardship scheme, which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions divided by the estimated Council Tax for that band.
- 1.7 These are then converted into Band “D” equivalents to produce the “relevant” amounts prescribed by the Regulations.
- 1.9 The billing authority then estimates its Council Tax Collection Rate, which is the percentage of 2024/25 Council Tax demands which it predicts will be paid into the Collection Fund during 2024/25. The in-year Collection rate estimated for 2024/25 is 96.0% and this is reflected in the Tax Base calculation. Any tax collected more than 96.0% for the billing year 2024/25 and prior years, will be reflected in the annual Collection Fund surplus.
- 1.10 As mitigation to the risks around the economic impact on the Council’s Council Tax collection rates, the Council will continue to allocate a contingency in its budget equal to 1% of collection. If required, this contingency can be used to fund the

Council's share of any collection fund deficit lower than a 96% in year collection rate.

- 1.11 The calculated Torbay Council Tax Base for 2024/25 of 47,374.08 compares with the 2023/24 tax base of 46,620.10, a 1.6% increase.
- 1.12 For the calculation of the Council Tax due to Brixham Town Council, a Tax Base must be determined by Torbay Council, as the billing authority. The tax base for Brixham Town Council is 6,251.14 as detailed in Appendix 2. This compares with the 2023/24 tax base of 6,211.39 which is a 0.6% increase.

2 Technical Adjustments

- 2.1 The calculated taxbase reflects the revised 2024/25 Council Tax Support Scheme which is subject to approval by Council at its meeting of the 7 December 2023.
- 2.2 The Levelling Up and Regeneration bill gained Royal Assent in October 2023. This has enabled the Council to enact the previous approvals, as made by Council in December 2022, in relation to changes in charges for Second Homes and Empty Homes. These changes aim to promote greater access of homes available for local residents across Torbay.
- 2.3 If a dwelling meets the definition of a "dwelling occupied periodically", (a second home), the amount of council tax payable on that dwelling can be increased up to 100% from 2025/26. The conditions are that "there is no resident for that dwelling" and the "dwelling is substantially furnished". The Council is required to make a "determination" confirming their intentions at least 12 months prior to the financial year in which the changes will come into effect. It is therefore proposed that this change will apply from April 2025.
- 2.4 The change in legislation regarding charging for Empty dwellings enables the 100% premium for long-term empty dwellings to be chargeable after one year, rather than the current two years. This change will be enacted from 1 April 2024.
- 2.5 The two legislative changes are intended to support the housing needs and housing issues within an area. The financial implications of the change to empty homes charging, has been incorporated within the 2024/25 Tax Base calculation.

3. Options

- 3.1 The taxbase has to be statutorily set by the end of January 2024. The Council therefore either need to approve the taxbase at the meeting scheduled for 7 December 2023 or subsequently set a separate extraordinary meeting, prior to 31 January 2024.

4. Risks

- 4.1 If a taxbase is not approved by end of January 2024 then the Council will be unable to set a budget for the 2024/25 financial year, which will also impact on other precepting bodies.

4.2 There is a risk that the Council is not able to achieve the in-year Council Tax collection rate which has been set within the Tax Base calculation (particularly in light of the cost of living crisis). To mitigate this risk, as in previous years, a 1% contingency will be set in the 2024/25 budget as a specific earmarked reserve.