

Surrey Heath Borough Council
Executive
6 December 2022

Calculation and setting of the Council Tax Base for 2023/24

Portfolio Holder:	Finance & Customer Services
Strategic Director	Bob Watson – Finance & Customer Services
Report Author	Robert Fox – Revenues and Benefits Manager
Key Decision:	Yes
Portfolio Holder signed off the report	18 November 2022
Wards Affected:	All

Summary and purpose

The Council has a duty to set a Tax Base for Council Tax purposes by 31 January each year under Section 67 of the Local Government Finance Act 1992. This report seeks approval of the Authority's Council Tax Base for 2023/24.

Recommendation

The Executive is advised to RESOLVE

- (i) to note the calculations of the tax base in Annexes A to F summarised below:

	Band D Equivalent Properties
Bisley	1,666.50
Chobham	2,088.64
Frimley and Camberley	25,116.26
West End	2,413.37
Windlesham	8,328.63
 Surrey Heath Borough Council	 39,613.40

- (ii) that, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Surrey Heath Borough Council as its Tax Base for the year 2023/24 shall be 39,613.40 Band 'D' properties
- (iii) The income bands for the calculation of entitlement to Local Council Tax Support for working age claimants be uprated by 10% rounded to the nearest £0.99

The Executive is advised to RECOMMEND to Full Council that

- (i) with effect from 1 April 2023 the Empty Homes Premium remains at the maximum levels allowed in the legislation where the property has been empty for 2, 5 or 10 more years as detailed in paragraph 1.8; and
- (ii) the Council Tax Exceptional Hardship Policy remains unchanged for 2023/24, and the fund available remain at £80,000.

1. Background and Supporting Information

- 1.1 Surrey Heath Borough Council is legally required to set its Council Tax Base for 2023/24 by 31st January 2023.
- 1.2 The 2023/24 Council Tax for this Borough will be set at the Council meeting on 22nd February 2023.
- 1.3 The tax base set in 2022/23 was 38,976.17. The proposed tax base of 39,613.40 is an increase in the tax base of 637.23 band D equivalent properties. The increase in the tax base takes in to consideration 148.6 anticipated band D new property developments due for completion during 2023/24.
- 1.4 Surrey County Council stated in 2020/21 that any additional income generated by the reduction in empty property relief normally due to them would be returned to Districts to support community services. The 28 day unoccupied and substantially unfurnished discount scheme is currently used to fund a Surrey Heath Borough Council Climate Change Officer.
- 1.5 In February 2015 the Government included money to be provided to compensate parishes for the loss of income from the Local Council Tax Support Scheme (LCTSS) within the Council's Revenue Support grant. However from 2017/18 the Revenue Support Grant was reduced to zero and hence the funding lost. Since 2017/18 the Council has been making a payment to Parishes equivalent to the 2016/17 funding.
- 1.6 The Executive voted on 21 June 2022 to discontinue this funding with effect from April 2023/24.

Technical changes to Council Tax

- 1.7 Technical changes to Council Tax were introduced from April 2013 under the Local Government Finance Act 2012 which meant that Councils were empowered to set a number of changes to Council Tax discounts and exemptions as well as introduce a premium for long term empty properties.
- 1.8 The table below sets out the permitted range of relief categories, and the proposed relief for 2023/24.

Category	Permitted changes	2022/23 Reliefs	Proposed change in 2023/24
Empty Homes in need of or undergoing major repair or structural alterations	Discount of up to 100% for 12 months	No discount from day one	No change
Empty Homes that are unoccupied and substantially unfurnished	Discount of up to 100% for any period	0% Discount given for up to 28 days from the date a property first becomes unoccupied and substantially unfurnished.	No change
Furnished Homes not occupied as anyone's main home	Can discount up to 10%	No discount from day one	No change
Long term empty houses (over 1 year)	Discount of up to 50% for one year and ability to set a premium after 2 years, 5 years and 10 years of up to 100%, 200% or 300%	100% premium on full amount of council tax payable after 2 years of being empty, up to 5 years: Where the property has been empty for 5 years but less than 10, a premium of 200%: Where the property has been empty for 10 years or more a premium of 300%	No change
Young people who have left care (care leavers) until their 25th birthday.	Section 13A LGFA 1992 permits reduction of council Tax	100% relief	No change

	liability for prescribed classes to nil		
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- 1.9 The biggest single discount given on Council Tax is the “single person’s discount” which gives a reduction of 25% on Council Tax for those properties with one occupier. Surrey Heath had, as of 3 October 2022, 10,942 dwellings in receipt of single person discount. The ability to vary this discount remains with the Government.
- 1.10 There are 162 properties that are currently subject to the Empty Homes Premium of 100%, 15 properties subject to the 200% premium and 6 properties empty over 10 years subject to the 300% premium.

Local Council Tax Support Scheme

- 1.11 On 1 April 2022 the Council introduced a new Local Council Tax Support Scheme (LCTSS) to replace the local scheme that was introduced 1 April 2021 to replace the national Council Tax Benefit scheme, for working age claimants.
- 1.12 The cost of the LCTSS is taken into account as foregone band D equivalent properties in the setting of the Council Taxbase.
- 1.13 Expenditure on the LCTSS for 2022/23 is currently £3,229,198 compared to an outturn of £3,231,991 in 2021/22.
- 1.14 Entitlement to LCTSS for working age claimants is calculated with reference to income relative to set income bands. To offset the cost-of-living increase in the calculation of entitlement an increase of 10% in the upper limit of each income band. The increase will be rounded to the next £0.99 increment. The proposed bands are:

Band	No children	1 child	2 or more children	Maximum award
1	Passported Households	Passported Households	Passported Households	95%
2	£0 - £65.99	£0 - £142.99	£0 - £219.99	80%
3	£66 – £142.99	£142.99 - £219.99	£220.00 - £296.99	60%
4	£143.00 - £219.99	£220.00 - £296.99	£297.00 – £373.99	40%
5	Income or savings above maximum	Income or savings above maximum	Income or savings above maximum	0%

Support to Parishes

- 1.15 The introduction of the LCTSS in April 2013 had the effect of reducing the Council Tax base since it operates as a discount rather than a benefit.

- 1.16 In order to recognise the effect that this would have on parishes the Government provided a grant in 2013/14 to Councils to give to parishes to ensure they were no worse off because of the introduction of the LCTSS. This money was subsequently included within the revenue support grant (RSG) but as the Council's RSG is now zero it is reasonable to assume that this funding has been withdrawn.
- 1.17 Despite not receiving any funding from Government the Council recognised the impact the LCTSS had on parishes and in the spirit of partnership and supporting parishes has continued to compensate parishes for some of their loss.
- 1.18 The Executive voted on 21 June 2022 to withdraw this additional funding to Parishes as part of the savings made during the "Star Chamber" budget setting process.
- 1.19 The annual saving of £19,943.44 will be realised from 1 April 2023
- 1.20 Attached in Annexes A to F of this report are detailed breakdowns of the calculations of the Tax Base for each part of the Borough, i.e. the 4 parishes and the urban area of Frimley and Camberley. In addition Annexe F includes a breakdown of the calculation of the Tax Base for the whole area. The format of the Annexes meets statutory requirements.
- 1.21 Annexes A to F assume that there will be no change to the discounts and exemptions given nor to overall level of expenditure on LCTSS.
- 1.22 The Executive should note that Tax Base calculation, which must be calculated for each area of the Borough for bands A to H, reflects the following:
- a) The number of chargeable properties on the Listing Officer's Valuation List, as adjusted for discount, premiums, exempt properties, LCTSS and disabled relief.
 - b) Discounts where there are one or no residents in a property reflect the position as at 3rd October 2022.
 - c) The Ministry of Defence will be making a contribution in respect of its properties which are exempt under Council Tax. The equivalent number of band D properties is added into the Frimley and Camberley calculations.
 - d) No change is anticipated in the number of discounts given during 2023/24.
 - e) The losses on collection allowance remains unchanged at 1.5%, an allowance for the LCTSS is made and these seek to avoid creating a deficit on the collection fund.

2. Reasons for Recommendation

- 2.1 The setting of the Council Tax Base is a statutory requirement.

3. Proposal and Alternative Options

3.1 The Executive can accept, amend or reject any part of the proposal. It should be noted that the Council has a statutory duty to determine its Tax Base by 31st January 2022.

3.2 It is proposed that the Executive:

- (i) note the calculations of the tax base in Annexes A to F summarised below;

	Band D Equivalent Properties
Bisley	1,666.50
Chobham	2,088.64
Frimley and Camberley	25,116.26
West End	2,413.37
Windlesham	8,328.63
 Surrey Heath Borough Council	 39,613.40

- (ii) that from 1 April 2023 the local property related discounts available to be set by Surrey Heath Borough Council using the freedoms given in the Local Government Finance Act 2012 and relevant statutory instruments in respect of the Empty Homes Premium be unchanged from those set in 2022/23

- (iii) Recommend that the Council Tax Exceptional Hardship Policy remains unchanged for 2023/24 and the fund available remain at £80,000.

4. Contribution to the Council's Five Year Strategy

4.1 By setting the tax base and thus raising the correct level of Council Tax the Council is able to support all its corporate objectives.

5. Resource Implications

5.1 Failure to set the Council Tax Base would result in the Council being unable to meet the statutory requirement to notify precepting authorities of the Council Tax Base by 31 January 2023. It may also delay the calculation of the Council Tax charge and the billing and collection processes for 2023/2024.

5.2 Over estimation of the council tax base would result in a deficit in the tax collected which would need to be made good in full from the council tax in subsequent years. Under estimation would result in a council tax higher than necessary. Failure to agree the Taxbase for 2023/24 would compromise the Council's ability to set its Council Tax for 2023/24.

6. Section 151 Officer Comments:

- 6.1 Agreement of the Council Tax Base 2023/24 supports sound financial planning within the authority.
- 6.2 For the financial year 2023/24 it is assumed 98.5% of the council tax will eventually be collected.

7. Legal and Governance Issues

- 7.1 There is a legal requirement that the Council as a billing authority must set its Council Tax base before 31 January 2023 for the following financial year starting 1 April 2023.
- 7.2 Section 31B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, imposes a duty on the Council as a billing authority, to calculate its Council Tax by applying a formula which as set out in the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012.
- 7.3 The formula involves a figure for the Council Tax Base for the year, which must itself be calculated. The basis of liability for Council Tax is the valuation band to which a dwelling has been assigned. Valuation bands range from A to H, and the relative liabilities of each band are expressed in terms of proportions of Band D.
- 7.4 The Council is under an obligation to notify major precepting authorities of the calculation.

8. Monitoring Officer Comments:

- 8.1 No matters arising.

9. Other Considerations and Impacts

Environment and Climate Change

- 9.1 There are no specific environmental implications directly arising from this report.

Equalities and Human Rights

- 9.2 Every effort will be made to ensure that Council Tax payers, particularly those who are from disadvantaged groups, receive prompt and accurate Council Tax bills, and that those who are eligible for exemptions and discounts - such as the disabled people, single people and those on low incomes, are encouraged to claim them.

Risk Management

- 9.3 The planning and production of the Taxbase setting report for the December 2022 Executive minimises the risk of the Taxbase not being agreed by the statutory 31 January 2023 deadline.
- 9.4 The Committee Timetable allows for an additional Executive meeting should the Taxbase not be agreed at the December 2022 meeting.

Community Engagement

- 9.5 Not applicable

Annexes

Council Tax Base calculations for Surrey Heath and Parishes

Background Papers

None

Annex A

2022/23 Surrey Heath										
		BANDS								
	@	A	B	C	D	E	F	G	H	TOTAL
1. Total number of dwellings on the Valuation List		675	2604	6329	10177	6884	5902	5210	529	38310.00
Number of dwellings exempt		80	64	272	195	235	102	55	11	1014.00
2. Adjusted number of chargeable dwellings		595	2540	6057	9982	6649	5800	5155	518	37296.00
Number of chargeable dwellings subject to disabled reduction		0	3	15	35	28	33	31	10	
Number of dwellings effectively subject to council tax for this band by virtue of disabled relief	0	3	15	35	28	33	31	10	0	
3. Adjusted number of chargeable dwellings	0	598	2552	6077	9975	6654	5798	5134	508	37296.00
Number of dwellings in line 3 entitled to a single adult household 25% discount	0	352	1486	2585	3089	1618	1021	742	49	10942.00
Number of dwellings in line 3 entitled to a 50% discount including Annexes	0	41.00	7.00	4.00	6.80	2.00	5.00	11.00	6.00	82.80
4. Adjusted number of chargeable dwellings	0	489.5	2177.0	5428.8	9199.4	6248.5	5540.3	4943.0	492.8	34519.10
Number of dwellings in line 4 classed as empty and being charged the Empty Homes 100% Premium	0	2	39	45	56	6	5	6	3	162.00
Number of dwellings in line 4 classed as empty and being charged the Empty Homes 200% Premium	0	0	5	4	3	1	1	1	0	15.00
Number of dwellings in line 4 classed as empty and being charged the Empty Homes 300% Premium	0	1	3	1	0	0	1	0	0	6.00
5. Adjusted number of chargeable dwellings	0.0	494.5	2235.0	5484.8	9261.4	6256.5	5550.3	4951.0	495.8	34729.1
Reduction in taxbase as a result of local council tax support	0.00	105.90	427.30	507.70	442.00	97.40	26.80	16.40	1.20	1,624.70
6. Adjusted number of chargeable dwellings	0.00	388.60	1,807.70	4,977.05	8,819.35	6,159.10	5,523.45	4,934.60	494.55	33,104.40
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
7. Total number of band D equivalents after allowance for council tax support	0	259.1	1406.0	4424.0	8819.4	7527.8	7978.3	8224.3	989.1	39628.0
Adjustment for expected new properties at Band D										148.6
Less										
Allowance for loss on collection of 1.5%										596.65
MOD PROPERTIES										433.44
Tax Base after adjustment										39,613.40

Annex D

2023-24 Frimley and Camberley										
		BANDS								
	@	A	B	C	D	E	F	G	H	TOTAL
1. Total number of dwellings on the Valuation List	0	470	2063	4798	7208	4078	3011	3376	133	25137.00
Number of dwellings exempt	0	64	52	248	154	205	76	44	11	854.00
2. Adjusted number of chargeable dwellings	0	406	2011	4550	7054	3873	2935	3332	122	24283.00
Number of chargeable dwellings subject to disabled reduction	0	0	2	11	24	19	14	21	5	
Number of dwellings effectively subject to council tax for this band by virtue of disabled relief	0	2	11	24	19	14	21	5	0	
3. Adjusted number of chargeable dwellings	0	408	2020	4563	7049	3868	2942	3316	117	24283.00
Number of dwellings in line 3 entitled to a single adult household 25% discount	0	276	1127	1798	2091	886	489	480	7	7154.00
Number of dwellings in line 3 entitled to a 50% discount including Annexes	0	20.40	3.00	3.00	4.70	2	3	10	2	48.10
4. Adjusted number of chargeable dwellings	0	328.8	1736.8	4112.0	6523.9	3645.5	2818.3	3191.0	114.3	22470.45
Number of dwellings in line 4 classed as empty and being charged the Empty Homes 100% Premium	0	1	38	40	53	3	1	2	0	138.00
Number of dwellings in line 4 classed as empty and being charged the Empty Homes 200% Premium	0	0	1	3	1	1	0	0	0	6.00
Number of dwellings in line 4 classed as empty and being charged the Empty Homes 300% Premium	0	0	3	0	0	0	0	0	0	3.00
5. Adjusted number of chargeable dwellings	0	329.8	1,785.8	4,158.0	6,578.9	3,650.5	2,819.3	3,193.0	114.3	22629.45
Reduction in taxbase as a result of local council tax support	0.00	80.18	350.69	351.38	296.73	50.25	9.14	9.37	0.00	1,147.74
6. Adjusted number of chargeable dwellings	0.00	249.62	1,435.06	3,806.62	6,282.17	3,600.25	2,810.11	3,183.63	114.25	21,481.71
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
7. Total number of band D equivalents after allowance for council tax support	0	166.4	1116.2	3383.7	6282.2	4400.3	4059.0	5306.1	228.5	24942.3
Adjustment for expected new properties at Band D										116.4
Less										
Allowance for loss on collection of 1.5%										375.88
MOD PROPERTIES										433.44
Tax Base after adjustment										25,116.26

