

Crawley Borough Council

Consideration Report for Delegated Decision by the Leader of the Council

Expected Date of Decision 21 December 2023

Calculation of Council Tax Base – for the Purposes of Setting the Level of Council Tax for the Year 2023/2024

Report of the Head of Corporate Finance, **FIN/604**

1. Purpose

- 1.1 The purpose of this briefing note is for the Leader of the Council to exercise his delegated authority to approve the 2023/24 Council Tax Base.

2. Recommendations

- 2.1 To the Leader of the Council, you are requested to use your delegated authority to approve the Council Tax Base of 35,952.7

3. Reasons for the Recommendations

- 3.1 The calculation required by statute has produced a tax base of 35,952.7 which is recommended for approval. The regulations provide that in the current year this authority must set the tax base between 1 December 2022 and 31 January 2023.

4. Background

- 4.1 The Council Tax in England and Wales is provided for and governed by the provisions of the Local Government Finance Act 1992. Within this act, the Council is designated as a “Billing Authority”, responsible for the billing, collection and enforcement of Council Tax.
- 4.2 The Council Tax Base forms part of the process to set the tax, being an estimate of the number of residential properties that will be liable for the tax in the coming year. This is then divided into the budget requirement of each authority to determine the tax payable per property. The calculation to determine the tax base is updated each year to allow for new properties, demolitions and changes in discounts. Of the final tax base, approximately 99% relates to actual properties and discounts with the remaining 1% being the estimated changes.
- 4.3 The Local Government Finance Act 2012 provided billing authorities with powers to:
- vary certain Council Tax discounts
 - introduce a local council tax reduction scheme

DISCOUNTS

- 4.4 The Second Homes discount was reduced from 10% to zero from 1 April 2013.
- 4.5 The discount for Class A, empty properties undergoing major repair or structural alteration, was reduced from 100% to zero from 1 April 2013.

- 4.6 A premium of 100% will be applied if such a property is still empty for between 2 and 5 years. A premium of 200% will be applied for properties empty for between 5 and 10 years. A premium of 300% will be applied for properties empty for more than 10 years.
- 4.7 The discount for Class C properties, empty and substantially unfurnished, is 100% for one week.
- 4.8 The family annex discount was introduced from 1 April 2014 and gives a 50% discount for people living in annexes that are related to person liable to pay the council tax in the main dwelling.
- 4.9 No discount is receivable for most second homes, however, where a second home is held for the requirements of a job, a 50% discount applies.
- 4.10 The Council has adopted a local council tax reduction scheme which replaced the national council tax benefit scheme from 1 April 2013.
- 4.11 The Council, as billing authority, is able to reduce the total Council Tax payable by individuals or groups of individuals. The purpose of this power is in the main to provide for disasters such as flooding to enable councils to reduce the tax liability of affected households during a given period. Authority to award such discounts has been delegated to the Head of Corporate Finance.

5. Information & Analysis Supporting Recommendation

CALCULATION OF THE TAX BASE

- 5.1 All residential properties are valued by the District Valuer and allocated to one of 8 bands, A to H. In order to arrive at the Council Tax payable for the year the number of properties is adjusted to a Band D equivalent for comparative purposes across the country, e.g. one Band H property pays twice the amount of a Band D and is therefore counted as two Band D equivalent properties. Having arrived at the Band D equivalent, this is divided into the amount of income required by the council to arrive at the amount payable for a Band D Council Tax. All other bands are then calculated from this.
- 5.2 The valuation list dated 12 September 2022 has been used, as well as other information dated 3 October 2022 with regards to allowances for additional properties, deletions and alterations to the list.
- 5.3 The Council Tax Base is the total number of Band D equivalents for each of the 8 valuation bands. Detailed calculations for each of the bands are set out in the Appendix to this briefing note.
- 5.4 Finally, it is necessary for the authority to take a view of the potential amount of Council Tax that could be collected and to make allowance for the possibility of bad debts. This is achieved by reducing the Gross Tax Base by a percentage that reflects the potential value of non-collection. It is proposed that for 2023/2024 the provision for bad debts be set at 0.5% (2022/2023: 0.5%).

COMPARISON WITH CURRENT YEAR

- 5.5 The Council Tax base has increased by 194.6 Band D equivalents as explained in Table One below.

Table One

	2023/24 Band D equiv.	2022/23 Band D equiv.	Net Change
Actual per valuation list	44,551.8	44,234.1	317.7
Estimated new properties	241.0	315.8	-74.8
Known Demolition	0	0	0
Estimated banding appeals	-3.0	-3.0	0
Estimated exempt properties	-415.2	-416.7	1.5
Estimated disabled reductions	-26.8	-24.9	-1.9
Estimated 25% discounts	-3,328.7	-3,266.2	-62.5
Estimated 50% discounts	-29.4	-30.6	1.2
Estimated 100% discounts	-12.9	-21.2	8.3
Premiums on homes empty for 2+ years	36.0	29.1	6.9
Family Annexe discount	-5.6	-4.7	-0.9
Council tax reduction scheme	-4,873.8	-4,873.8	0
Provision for non-collection	-180.7	-179.7	-1.0
Tax base	35,952.7	35,758.2	194.5

6. Implications

- 6.1 The Council Tax Base will increase the tax yield by £42,554.66 at the current band D charge of £218.79.

7. Background Papers

Local Government Finance Act 1992

Local Government Finance Act 2012

[Local Council Tax Reduction Scheme, Cabinet – 28 November 2012 \(FIN/286 refers\)](#)

[Review of the Council Tax Reduction Scheme, Cabinet – 30 November 2016 \(FIN/399 refers\)](#)

[Council Tax Empty Property Premiums, Cabinet - 25 September 2019 \(FIN/478\)](#)

Discount/premium	DIS. A	BAND								BUDGET 2023/24	PREVIOUS YEAR 2022/23	
		A	B	C	D	E	F	G	H			
1. Total number of Properties Liabale to Council Tax												
(a) Actual Number per Valuation List		1,303	7,602	22,384	9,066	3,809	2,314	475	9	46,962	46,609	
(b) Estimated No of New Properties		83	118	33	39	15	5	0	0	293	373	
Known demolitions										0	0	
(c) Estimated No of Rebandings												
- Move from Band		0	0	-6	-5	-6	-1	-1	0	-19	-19	
- Move to Band		0	6	5	6	1	1	0	0	19	19	
(d) Properties with Disabled Reduction												
- Move from Band		0	-10	-77	-43	-28	-15	-8	-3	-184	-170	
- Move to Band		10	77	43	28	15	8	3		184	170	
(e) Exempt Properties		-33	-134	-179	-64	-26	-17	-4	0	-457	-457	
- Estimate for new properties		-2	-2	0	0	0	0	0	0	-4	-6	
Number of Chargeable Properties		1361	7657	22203	9027	3780	2295	465	6	46,794	46,519	
2. Properties Receiving Discounts/Premiums												
- 25% Discount due to single adult household	-25%	769	4,309	6,252	2,024	651	337	60	0	14,402	14,123	
- Estimate for new properties	-25%	49	67	9	9	3	1	0	0	138	159	
-25% Discount due to all but one resident being exempt	-25%	6	51	237	67	28	14	2	0	405	402	
- Estimate for new properties	-25%	0	1	0	0	0	0	0	0	1	1	
- 5% reduction in single person discount	-25%									0	-19	
- Other Discounts												
Empty properties 100% discount	-100%	2	8	6	0	0	0	0	0	16	24	
- Estimate for new properties	-100%	0	0	0	0	0	0	0	0	0	0	
Empty properties 50% discount	-50%	0	0	0	0	0	0	0	0	0	0	
- Estimate for new properties	-50%	0	0	0	0	0	0	0	0	0	0	
Second Homes 50% discount	-50%	1	1	0	0	0	0	0	0	2	2	
- Estimate for new properties	-50%	0	0	0	0	0	0	0	0	0	0	
All residents being disregarded for Council Tax purposes 50%	-50%	2	2	11	10	6	7	8	2	48	49	
- Estimate for new properties	-50%	0	0	0	0	0	0	0	0	0	0	
Long Term Empties 100% premium	100%	0	3	4	5	0	1	2	1	16	14	
Long Term Empties 200% premium	200%	1	2	2	1	0	0	0	0	6	4	
Long Term Empties 300% premium	300%	0	0	2	1	0	0	0	0	3	3	
3. Number of Properties Receiving no Discounts												
		531	3213	15680	6910	3092	1935	393	3	31,757	31,757	
4. Family Annexe discount												
		-8.4	0.0	0	0	0	0	0	0			
5. Council Tax Reduction Scheme												
		-324.3	-1,812.6	-2,855.6	-589.0	-76.3	-16.4	-2.2	0			
6. Tax Base Before Tax Weighting Adjustment		820.83	4,734.91	17,725.38	7,918.00	3,530.23	2,188.11	445.35	6.00	37,368.8	37,150.7	
7. Tax Weighting	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9			
8. Band D Equivalent		547.22	3,682.71	15,755.89	7,918.00	4,314.73	3,160.60	742.25	12.00	36,133.4	35,937.9	
LESS : PROVISION FOR NON-COLLECTION										0.50%	-180.7	-179.7
COUNCIL TAX BASE FOR THE YEAR 2023/2024											35,952.7	35,758.2

Authorised by Head of Corporate Finance

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 Signature

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 Date