

# Referrals report of recommendations from Cabinet

<b>Report number:</b>	<b>COU/WS/23/020 (Part two)</b>	
<b>Report to and date:</b>	<b>Council</b>	19 December 2023
<b>Documents attached:</b>	<b>See Part One of this report</b>	

Part Two: Report number: COU/WS/23/020 continued, following consideration of Cabinet referral B2, 'West Suffolk Local Plan Publication (Regulation 19) Consultation and Submission'

## **B. Referrals from Cabinet: 5 December 2023**

### **3. West Suffolk Council Local Council Tax Reduction Scheme (LCTRS) 2024 to 2025**

**Portfolio holder:** Councillor Diane Hind

**Cabinet Report number:** [CAB/WS/23/057](#)

**Appendix A** [WSC Local Council Tax Reduction Scheme - Consultation Survey](#)

**Appendix B** [West Suffolk LCTRS Equality Impact Assessment Form](#)

**Appendix C** [West Suffolk LCTRS 2024 - 2025](#)

**Recommended, that:**

- 1. The Local Council Tax Reduction (LCTRS) Scheme for 2023 to 2024 as outlined in Report number: CAB/WS/23/057, be reviewed.**
- 2. The changes to the Scheme outlined in section 2 of Report number: CAB/WS/23/057 and that the maximum discount change only relates to 2024 to 2025 in line with the recent consultation, be agreed.**

- 3.1 Each year the Council is required to review its Local Council Tax Reduction Scheme (LCTRS). The Cabinet report (CAB/WS/23/057) provides an annual review of the 2023 to 2024 scheme and proposes to make changes to the scheme for 2024 to 2025.

- 3.2 Section 1.4 of the Cabinet report provides details of how the West Suffolk LCTRS has developed since its inception from April 2013.
- 3.3 The current West Suffolk Working Age LCTRS provides a maximum benefit of 100 percent for working age claimants and the scheme also fully protects war pensioners (approved for 2023 to 2024). The aim in designing the scheme was to achieve a balance in charging an amount of council tax to encourage customers back into work whilst setting the amount charged at an affordable and recoverable level during the year.
- 3.4 West Suffolk Council proposes to extend the 100 percent reduction for the LCTRS for 2024 to 2025. This would be for one year only and designed to support low-income working age residents, in light of the current pressures on the cost of living. This proposal is set out further in paragraph 3.6 below.
- 3.5 A consultation on the proposals was held from 2 October to 30 October 2023. Major preceptors and stakeholders had responded and the responses received and the key points raised were covered in section 4 of Report number CAB/WS/23/057. It was noted that 90.2 percent of the respondents agreed/strongly agreed with the proposal to extend the maximum discount on council tax.
- 3.6 It is proposed for the West Suffolk Local Council Tax Reduction Scheme that the maximum reduction on Council Tax paid of 100 percent should be extended for a further 12 months. This should take effect from 1 April 2024 (and last for one year only). This would be a means tested scheme.
- 3.7 The background to the proposed changes is as follows:
  1. This is part of an initiative to help those residents in financial hardship in light of the current cost of living crisis.
  2. Many councils across Cambridgeshire, Suffolk and Norfolk implemented 100 percent discount schemes last year to help mitigate rising costs living costs for customers. While many councils, including East Suffolk and other ARP partners, have yet to make a decision on whether or not to extend, Norwich City Council and all three SRP councils do offer a maximum 100 percent CTRS reduction scheme.
  3. In Suffolk, the proposals would help support Suffolk County Council's Tackling Poverty Action Plan by maximising residents' financial resilience.
  4. The proposal is very well targeted as it will reach those who are already on means tested benefits and has low administrative costs.
  5. The impact on household budgets must also be considered, we would expect the impact of higher costs to affect individuals' ability to pay into the 2024 to 2025 financial year.
  6. The aim is that by providing additional support to customers it could help avoid crisis situations, for example, homelessness and lead to

fewer applications for Exceptional Hardship Payments from those in receipt of council tax support.

7. This proposal is a short-term measure, extended for the financial year 2024 to 2025. After this period West Suffolk Council's LCTRS would revert to the current 8.5 percent contribution rate as set out in the recent consultation.
- 3.8 Separate from these proposals, the figures used in the calculation of how much a council tax payer needs to live on (known as the applicable amounts) will be automatically increased in 2024 to 2025 in line with Government policy. This will enable a number of new residents to claim council tax support for the first time.
- 3.9 The financial implications for implementing the changes to the LCTRS are set out in paragraph 6.1 of Report number: CAB/WS/23/057.

#### **4. Council tax base for tax setting purposes 2024 to 2025**

**Portfolio holder:** Councillor Diane Hind

**Cabinet Report number:** [CAB/WS/23/058](#)

**Appendix 1** [West Suffolk CTB return as at 2 October 2023](#)

**Appendix 2** [Distribution of WS properties and tax base across valuation bands](#)

**Appendix 3** [2024 to 2025 council tax base for each town and parish council area within West Suffolk](#)

**Recommended, that:**

- 1. The tax base for 2024 to 2025, for the whole of West Suffolk be 58,684.97 equivalent band D dwellings, as detailed in paragraph 2.3 of Report number: CAB/WS/23/058.**
- 2. The tax base for 2024 to 2025 for the different parts of its area, as defined by parish or special expense area boundaries, be as shown in Appendix 3 to Report number: CAB/WS/23/058.**

- 4.1 The council tax base is the total taxable value at a point in time of all the domestic properties in the council's area. It is a yearly calculation and represents the estimated number of chargeable dwellings after allowing for exemptions and discounts, projected changes in the property base and after applying an estimated collection rate.
- 4.2 The total taxable value referred to above is arrived at by each dwelling being placed in one of eight valuation bands (A – H) by the Valuation Office, with a statutorily set fraction then being applied in order to convert it to a 'band D equivalent' figure. These band D equivalent numbers are then aggregated at a district wide level and are also sub totalled for parishes. This calculation has to be done by the council responsible for sending the bills out and collecting the council tax ('the billing authority'). In two tier areas, district councils fulfil this function.

- 4.3 The council tax base is used in the calculation of council tax. Each authority divides the total council tax income it needs to meet its budget requirement by the tax base of its area to arrive at its band D council tax. The same fractions referred to in the previous paragraph are then used to work out the council tax for properties in each of the other bands.
- 4.4 The calculation of the tax base for council tax setting purposes consists of three stages:
1. Calculation of the tax base for central government purposes as at 2 October 2023 (DLUHC return – CTB).
  2. Calculation of the tax base for council tax setting purposes by adjusting the band D equivalents to reflect changes in the tax base as a result of Local Council Tax Support scheme changes (CAB/WS/23/057), projected changes in the property base and predicted collection rates.
  3. Analysis of band D equivalents over each of the parish areas in order to determine individual parish council tax bases.
- 4.5 The tax base return 'CTB' is used by central government for data collection, grant allocations and policy development (see Appendix 1 to CAB/WS/23/058). This return shows the analysis of properties across the eight valuation bands for the following classifications of liability:
- properties attracting 100 per cent liability
  - properties attracting a premium, such as second homes
  - properties with an entitlement to a discount of 25, 50 or 100 percent, such as disabled relief
  - properties that are exempt, such as those occupied by United States air force personnel
  - local council tax reduction scheme discounts.
- 4.6 The figures used to make the above calculations are derived from the Valuation List as deposited on 11 September 2023, and as amended to reflect any errors or omissions so far detected in reviewing that list. They are based on the data held on the council tax system at a set point in time – 2 October 2023.
- 4.7 The band D properties figure as at 2 October 2023 of 59,651.1, as quoted in line 33 of the CTB form at Appendix 1, has been updated as at 31 October 2023 to allow for:
1. Any changes to the Local Council Tax Support (LCTS) scheme. Proposals to increase the discount for Council Tax given to people on low incomes, which is being considered elsewhere on this agenda (CAB/WS/23/057), have been incorporated into the calculation of the tax base.
  2. Any technical changes to discounts and exemptions such as empty properties and second homes. There are no plans to change the current scheme for 2024 to 2025.

3. Potential growth in the property base during 2024 to 2025 taken from an average of the housing delivery numbers for those sites within the local plan and those that have planning permission, adjusted for an assumed level of discounts/exemptions.
  4. An allowance for losses in collection, which assumes that the overall collection rate for 2024 to 2025 will be 98.5 per cent.
- 4.8 The resulting tax base figure for council tax collection purposes, expressed in terms of the number of band D equivalent properties, is 58,684.97 for 2024 to 2025. This is an increase of 697.96 on the tax base for the current year of 57,987.01.
- 4.9 The table at Appendix 2 to Report number: CAB/WS/23/058 shows the actual number of dwellings in each tax band based on the current valuations which are discounted to 1 April 1991 and the percentage in each band. There has been no national revaluation since that date. It also shows the spread of the tax base across the bands totalling the tax base for central government purposes (CTB) and the tax base for council tax setting purposes after all of the adjustments have been made.
- 4.10 The tax base figure for West Suffolk outlined in paragraph 2.6, is analysed further across individual town and parish councils to form their tax base figures for the purpose of budget setting and determining the parish band D tax levels in each of those areas. Town and parish tax base figures are set out in Appendix 3 attached to the Cabinet report. In line with the delegated authority to administer the Council's financial affairs as outlined in the constitution, the arrangements for the scheduling of the precept payments for 2024 to 2025, will be determined by the Director (Resources and Property) (Chief Financial Officer). The payments schedule for all parish and town councils in West Suffolk will be full payment of the precepts by 30 April 2024.