

# **Cumberland Shadow Authority**

**26 January 2023**

## **Calculation of the Council Tax Base for 2023-24**

---

<b>Report from:</b>	Catherine Nicholson Chief Finance Officer S.151
<b>Report Author:</b>	Reg Bascombe Head of Revenues & Benefits Services Carlisle CC
<b>Wards:</b>	All
<b>Key Decision:</b>	Yes

---

### **1.0 Purpose/Summary of report**

- 1.1 The Local Government Finance Act 1992 (as amended) and accompanying regulations require Billing Authorities to calculate, each year, the Council Tax Base for its area as a whole and for each Parish or Town Council within its area and notify Precepting Authorities of the amount calculated.
- 2.1 The purpose of this report is to recommend to Council the calculation of the Council Tax Base for 2023-24, which must be made in accordance with the rules set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

### **2.0 Recommendations**

#### **2.1 It is recommended that the Shadow Authority:-**

- (1) Approve the calculation of the Authority's Council Tax Base for the financial year 2023-24, as set out in the Appendices to this report.**
- (2) Approve, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated as its Council Tax Base for the Council's area for 2023-24, totalling 88,328.60 (Band D equivalent properties).**

- (3) The major precepting authorities (Cumbria Fire & Rescue Service, and the Police & Crime Commissioner for Cumbria), are notified of the Council Tax Base for the purpose of calculating the basic amount of its council tax.**
- (4) The tax base of 88,328.60 is used by Cumberland Council for the purposes of calculating the basic amount of council tax in accordance with the requirements of the Local Government Finance Act 1992 (as amended).**
- (5) Determine if the introduction of an increased council tax charge in respect of 2<sup>nd</sup> Homes, from 1<sup>st</sup> April 2024, subject to relevant legislation being in place, should be applied.**

### **3.0 Background and Introduction**

- 3.1 The Local Government Finance Act 1992 and accompanying regulations requires the Authority to calculate, each year, the Council Tax Base for its area as a whole and for each individual Parish or Town Council area. The rules for calculating the Council Tax Base are prescribed by the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 3.2 The Council Tax Base is a measure of the taxable capacity of an area or part of an area, expressed in terms of the number of Band D equivalent dwellings and adjusted to take account of any discounts, premiums and exemptions and the estimated Council Tax collection rate. The Council Tax Base is used in the calculation of the council tax by Billing Authorities and Major Precepting Authorities and in the calculation of the amount of a precept payable by a Billing Authority to a Major Precepting Authority.
- 3.3 The 2012 Regulations require the Authority to determine its Council Tax Base by 31 January in the financial year preceding that for which the calculation of the Council Tax Base is made, i.e. 31 January 2023 for the financial year 2023-24.
- 3.4 The Authority is required to inform the Major Precepting Authorities, Cumbria Fire & Rescue Service, and the Police & Crime Commissioner and local Precepting Authorities of the Tax Base for its area (or in the case of a local Precepting Body, the relevant part of its area). For the financial year 2023-24, these notifications must be made by 31 January 2023.

### 3.5 The calculation of the Council Tax Base for 2023-24 incorporates:

- The impact of the Authority's Council Tax Reduction Scheme for 2023-24, and
- The relevant Council Tax Discounts, Exemptions and Premiums are as follows:

#### Discounts

Second Homes (Class A)	No Discount
Second Homes (Class B)	No Discount
Single Person Discount	25% Discount

#### Exemptions

Class C Unoccupied/Substantially Unfurnished	100% for 3 months
Class D Structural Repairs Uninhabitable	75% for 12 months
Unoccupied /Substantially Unfurnished	

#### Premiums

Long Term Empty – Over 2 – up to 5 Years	100% Premium
Long Term Empty – 5 Years – up to 10 Years	200% Premium
Long Term Empty – 10 Years or more	300% Premium

3.6 Local discounts are provided in respect of Beach Huts and in relation to Care Leavers under the existing Cumbria wide policy. These arrangements, as they are local discounts, are outside of the scope of the Council Tax Base calculations.

3.7 Provisions within the Levelling Up and Regeneration Bill, once approved, are anticipated to enable Councils to introduce additional measures relating to Long Term Empty properties and Second Homes from April 2024. The proposed changes that could affect our current arrangements are:

- Applying the Long-Term Empty Premium after 1 year, instead of after 2 years under the current legislation.
- Increasing the charge for Second Homes by not more than 100%, to charge up to twice the amount of the standard Council Tax charge.

To be able to apply an increased charge for Second Homes, a Council must make a first determination to do so at least one year before the beginning of the financial year to which the charge will relate. Therefore, if the Council wish to introduce an increased charge for Second Homes from 1<sup>st</sup> April 2024, the determination to do so, must be made by 31<sup>st</sup> March 2023.

3.8 Based on our current data, there are 2,769 Second Homes in the Council's area. Using the Band D charges for the current year, an additional council tax charge of £4,944,685 would be due, if the maximum increase of 100% was applied.

#### **4.0 Calculation of the Tax Base**

4.1 The starting point for the calculation of the Council Tax Base for 2023-24 is the total number of chargeable dwellings included in the Authority's valuation list, within each council tax band at the beginning of December 2022.

4.2 The list is sorted into parish order and the adjustments made for the following items:

- a) an estimate of properties which are currently not shown in the list, but will be entered into the list for the whole part of the year
- b) an estimate of properties which are currently listed, but will be deleted for the whole part of the year (demolitions etc.)
- c) an estimate of the number of properties which will be exempt
- d) an estimate of the reduction in banding for disabled persons
- e) discounts at the relevant percentage for single person households, disregarded properties, second homes, unoccupied properties, family annexes, uninhabitable properties and discounts and premiums for empty properties.
- f) An estimate of reductions under the Authority's Council Tax Reduction Scheme (CTRS)

4.3 The resulting figure for each council tax band is then converted to the number of Band D equivalent dwellings by multiplying it by the relevant proportion (prescribed by the 1992 Act) relative to Band D (from 6/9 for a Band A dwelling to 18/9 for Band H). The total for each council tax band is then aggregated to establish the total number of Band D equivalent dwellings.

4.4 The aggregate number of Band D equivalent dwellings is then multiplied by the Authority's estimate of its Collection Rate. The rate used must be uniform throughout each part of the Council's area. For 2023-24 a collection rate of 98.5% has been applied. This reflects current collection experience, including the recovery of arrears.

- 4.5 An actual collection rate achieved that is higher or lower than 98.5% will result in a surplus/deficit on the Collection Fund to carry forward to the next financial year and shared between the Precepting Authority's.

## **5.0 Calculation of the Council Tax Base for 2023-24**

- 5.1 Based on these assumptions, the Council Tax Base for 2023-24 is 88,328.60.

- 5.2 The relevant calculations required by the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, are included in the following appendices to this report:

- i. Appendix A – Detailed calculation of the Tax Base for the whole area;
- ii. Appendix B – Summary of the Council Tax Base for each part of the Council's area.

## **6.0 Alternative Options**

- 6.1 Not applicable to this decision/report.

## **7.0 Implications**

### **Financial, Resources and Procurement**

- 7.1 The Council Tax Base is, for the purposes of calculating a billing authority's and major precepting authority's council tax, a measure of the taxable capacity of an area or part of an area. An increase in the tax base means additional capacity to raise income from Council Tax. Conversely a decrease means a reduction in the Council's capacity to raise income from council tax.

### **Human Resources**

- 7.2 None

### **Legal**

- 7.3 The Local Government Finance Act 1992 (as amended) and accompanying regulations require Billing Authorities to calculate, each year, the Council Tax Base for its area as a whole and for each Parish or Town Council within its area and to notify Precepting

Authorities of the amount calculated, Calculation of the Council Tax Base must be made in accordance with the rules set out in the Local Authorities (Calculation of the Council Tax Base ) (England) Regulations 2012.

### **Health and Sustainability Impact Assessment**

7.4 Have you completed a Health and Sustainability Impact Assessment?  
No

7.5 If you have not completed an Impact Assessment, please explain your reasons: The calculation of the Council Tax Base does not require an assessment.

### **Equality and Diversity**

7.6 Have you completed an Equality Impact Analysis? No

7.7 If you have not completed an Impact Analysis, please explain your reasons: The calculations take into account discounts applicable to single person households, disabled persons and exempt properties.

<b>Risk Management</b>	<b>Consequence</b>	<b>Controls required</b>
None		

### **Contact Officers**

Reg Bascombe Head of Revenues & Benefits Services 01228 817102  
reg.bascombe@carlisle.gov.uk

### **Appendices Attached to this Report**

Appendix A – Detailed calculation of the Council Tax Base for the Council’s area

Appendix B – Summary of the Council Tax Bases for each part of the area.

### **Background Documents Available**

None

**APPENDIX A – COUNCIL TAX BASE CALCULATION 2023-24**

## Cumberland Council – Council Tax Base Calculation 2023-24

	BAND A DISAB	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL
NO. OF DWELLINGS IN VALUATION LIST 5 DEC 2022	0	63,898	25,308	20,019	15,161	8,180	2,862	955	75	<b>136,458</b>
ADD ESTIMATED NO. OF ADDITIONAL PROPERTIES	0	32	108	154	146	38	9	0	0	<b>487</b>
DEDUCT ESTIMATED NO. OF PROPERTIES TO BE DELETED	0	6	2	2	0	0	0	0	0	<b>10</b>
DEDUCT NO. OF PROPERTIES WHICH WILL BE EXEMPT	0	1,604	450	304	220	103	31	8	4	<b>2,724</b>
ADJUST FOR NO. OF PROPERTIES WHICH FALL INTO A LOWER BAND DUE TO DISABLED PERSONS	178	-57	6	-21	-33	-38	-17	6	-24	<b>0</b>
DEDUCT SINGLE PERSON DISCOUNTS AT 25%	27	22,691	7,061	4,493	2,490	1,082	320	114	3	<b>38,281</b>
DEDUCT DISCOUNTS AT 50% ON DISREGARDED PROPERTIES, UNOCCUPIED & FAMILY ANNEX	2	674	352	366	276	153	77	62	5	<b>1,967</b>
DEDUCT EMPTY DISCOUNTS AT 100% FOR 3 MONTHS	0	553	191	118	75	36	16	9	0	<b>996</b>
DEDUCT DISCOUNTS AT 75% ON UNINHABITABLE	0	40	11	9	9	3	1	1	0	<b>73</b>
ADD PREMIUM LONG TERM EMPTY PREMIUM (MORE THAN 2 YEARS)	0	465	109	66	58	14	7	6	6	<b>729</b>
ADD PREMIUM LONG TERM EMPTY PREMIUM (MORE THAN 5 YEARS)	0	324	63	32	23	14	6	3	0	<b>463</b>
ADD PREMIUM LONG TERM EMPTY PREMIUM (MORE THAN 10 YEARS)	0	239	42	26	39	4	0	7	4	<b>361</b>
TOTAL NET OF DISCOUNTS, EXECPTIONS ETC.	167	54,941	22,586	18,317	14,215	7,705	2,703	907	48	<b>115,239</b>
BAND D EQUIVALENT	92.80	36,627.35	17,579.32	16,281.56	14,215.25	9,419.37	3,903.97	1,511.68	97.00	<b>99,728.30</b>
NO. OF DWELLINGS REMOVED DUE TO CTRS SCHEME	40.11	11,792.66	1,581.16	627.94	250.42	76.85	20.09	5.57	0	<b>14,394.80</b>
BAND D EQUIVALENT	22.32	7,861.78	1,229.79	558.16	250.42	93.88	28.99	9.29	0	<b>10,054.63</b>
TOTAL BAND D EQUIVALENTS	70.49	28,765.58	16,349.54	15,723.41	13,964.83	9,325.50	3,874.98	1,502.41	97.00	<b>89,673.74</b>

TOTAL RELEVANT AMOUNT

**89,673.74**

ESTIMATED COUNCIL TAX BASE

**88,328.60**

Relevant Amount x Collection Rate @ 98.5%

**APPENDIX B – SUMMARY OF COUNCIL TAX BASES FOR EACH PART OF  
CUMBERLAND COUNCIL**

**Summary of the Council Tax Bases for each part of the Council Area totalling the Council Tax Base for Cumberland Council**

Above Derwent	658.75	Camerton	58.68
Aikton	160.84	Carlatten & Cumrew	59.54
Allhallows	165.30	Carlisle Urban	20,010.84
Allonby	167.32	Castle Carrock	144.38
Arlcedon and Frizington	1,138.33	Cleator Moor	1,923.02
Arthuret	782.10	Cockermouth	3,336.29
Askerton	55.03	Crosscanonby	354.06
Aspatria	739.93	Cummersdale	551.03
Bassenthwaite	204.90	Cumwhitton	135.97
Beaumont	199.66	Dalston	1,181.88
Beckermeth	537.99	Dean	525.17
Bewaldeth & Snittlegarth	15.95	Dearham	785.80
Bewcastle	141.78	Denton Nether	105.41
Blennerhasset & Torpenhow	177.21	Denton Upper	36.96
Blindbothel	68.18	Distington	612.79
Blindcrake	139.70	Drigg and Carleton	205.00
Boltons	254.91	Dundraw	61.73
Bootle	263.23	Egremont	2,272.09
Borrowdale	187.24	Embleton	207.47
Bothel & Threapland	164.00	Ennerdale and Kinniside	165.61
Bowness	370.39	Eskdale	134.35
Brampton	1,654.52	Farlam	227.05
Bridekirk	308.54	Gilcrux	117.58
Brigham	406.37	Gosforth	526.01
Bromfield	218.27	Great Clifton	306.42
Broughton	574.75	Greysouthen	225.54
Broughton Moor	246.31	Haile and Wilton	178.46
Burgh By Sands	532.00	Hayton	900.55
Burtholme	90.91	Hayton & Mealo	77.90
Buttermere	70.81	Hethersgill	133.90
Caldbeck	331.54	Holme Abbey	222.19

Holme East Waver	127.41	Ponsonby	106.92
Holme Low	135.84	Rockcliffe	321.40
Holme St Cuthbert	148.25	Scaleby	141.04
Ireby & Uldale	202.35	Seascale	646.66
Irthington	327.91	Seaton	1,541.25
Irton with Santon	121.25	Sebergham	139.92
Keswick	2,027.72	Silloth	856.04
Kingmoor	482.80	Solport & Stapleton	148.81
Kingwater	64.30	St Bees	741.22
Kirkandrews	157.49	St Cuthberts Without	2,044.79
Kirkbampton	174.76	St Johns Castlerigg & Wythburn	180.49
Kirkbride	157.77	Stanwix Rural	1,484.05
Kirklington	146.11	Thursby	485.74
Lamplugh	307.26	Ulpha	77.55
Little Clifton	138.82	Underskiddaw	146.28
Lorton	161.48	Waberthwaite and Corney	95.80
Lowca	223.51	Walton	112.19
Loweswater	133.88	Wasdale	69.61
Lowside Quarter	242.09	Waterhead	49.67
Maryport	2,714.54	Waverton	114.30
Midgeholme	24.37	Weddicar	169.54
Millom	1,975.53	Westlinton	135.29
Millom Without	353.98	Westnewton	91.28
Moresby	623.03	Westward	325.60
Muncaster	125.98	Wetheral	2,806.25
Nicholforest	133.80	Whicham	183.91
Orton	197.10	Whitehaven	6,963.50
Oughterside & Allerby	186.18	Wigton	1,830.48
Papcastle	184.60	Winscales	58.69
Parton	219.87	Woodside	198.31
Plumbland	130.27	Workington	6,901.34
		<b>TOTAL</b>	<b>88,328.60</b>