

**RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE**

DECISION

meeting date: 12 NOVEMBER 2024
title: COUNCIL TAX BASE 2025/26
submitted by: DIRECTOR OF RESOURCES AND DEPUTY CHIEF EXECUTIVE
principal author: JANE PEARSON

1 PURPOSE

- 1.1 To inform members of the council tax base for 2025/26.
- 1.2 To consider recent changes to legislation with regard to council tax on second homes and empty properties.

2 BACKGROUND

- 2.1 The council tax base is set each year between 1 December and 31 January and is an important calculation which sets out the number of dwellings to which council tax is chargeable in an area or part of an area.
- 2.2 To calculate the tax base for an area, the number of dwellings in each council tax band is adjusted to take account of any discounts, premiums or exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. These are then multiplied by the authority's estimated collection rate for the year.
- 2.3 The tax base is used for the purposes of calculating the band d council tax for the billing authority and also major precepting authorities and parish councils.

3 LOCAL GOVERNMENT FINANCE ACT 2012

- 3.1 The *Local Government Finance Act 2012* allowed changes to the discounts on council tax for second homes and empty properties. From 1 April 2013, second homes may be charged 100% of their normal rate of council tax, instead of the previous maximum of 90%. "Unoccupied and substantially unfurnished" properties are subject to a discount of anything between 0% and 100% of their council tax, at the discretion of the billing authority. Properties undergoing "major repair work" or "structural alteration", which are vacant, can be subject to a discount of any amount between 0% and 100%, for a maximum of 12 months.
- 3.2 The full 50% discount must be retained on a second home where the liable person is required as part of his/her employment to live in job-related accommodation.
- 3.3 From 1 April 2013, local authorities can also set an 'empty homes premium' for long-term empty properties. Properties which have been unoccupied and substantially unfurnished for over two years may be charged up to 150% of the normal liability.
- 3.4 In 2013/14, ie the first year of the new changes, the Council agreed to leave the rates of our current discounts/exemptions unchanged.
- 3.5 From 2014/15 however the Council, after detailed consideration, implemented the following change:
 - For long term empty properties (empty from 6 months upto 2 years) remove the current 50% discount ie owners are liable for the full 100% council tax due.

4 THE RATING (PROPERTY IN COMMON OCCUPATION) AND COUNCIL TAX (EMPTY DWELLINGS) ACT 2018

- 4.1 Legislation was passed on 1st November 2018 that gave Billing Authorities greater freedoms in the charges that are levied on long term empty homes. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 increased the premium that Billing Authorities can impose on properties that have been vacant i.e. unoccupied and unfurnished for more than two years from 50% to 100%.
- 4.2 Furthermore from 1st April 2020 for properties that have been vacant for more than 5 years the premium can be increased to 200% and from 1 April 2021 the premium can be increased to 300% for properties that have been unoccupied for more than 10 years.
- 4.3 It is important to note that this legislation does not apply to second homes or properties that are exempt from Council Tax e.g. where a property may be unoccupied because the owner has passed away or gone into a nursing home etc.
- 4.4 As last year it is not proposed that we introduce any changes for the forthcoming year.

5 THE LEVELLING UP AND REGENERATION ACT 2023.

- 5.1 Under this Act councils have now been given the discretion to charge additional council tax of up to 100% on unoccupied furnished homes not used as a sole or main residence with effect from 1 April 2025.
- 5.2 Under the rules, councils must vote on whether to charge additional council tax on second homes and then give a year's notice, such as by having the decision published in the local newspaper, before implementing the increase.
- 5.3 Also under this Act the period before a long term empty property premium can be imposed has been reduced from 2 years to 1 year with effect from 1 April 2024.

6 EXEMPTIONS FROM EMPTY AND SECOND HOME PREMIUMS

- 6.1 The Government have also laid regulations setting out exceptions to council tax premiums for second and long-term empty homes, that will come into force on 1 November effective from 1 April 2025.
- 6.2 These include exemptions for properties that are being actively marketed for sale or to let, 12 months after probate has been granted, properties undergoing structural alteration or repair work to make habitable, job-related dwellings, annexes, and armed forces accommodation.

7 BUDGET WORKING GROUP

- 7.1 At a meeting of the Budget Working Group on 11 July 2024 a report was considered which explained the various powers that Billing Authorities have to charge Council Tax premiums on empty properties and second homes and examined whether to change the current Council Policy not to bring in these further charges.
- 7.2 The report concluded that whilst there would be further council tax income generated to preceptors;
 - there is no evidence that the introduction of premiums reduces the number of empty homes and second homes.
 - there are various ways of avoiding the charges.

- Additional administration costs will be incurred as a result of monitoring and applying premiums to properties and dealing with disputes and challenges.
- There may be a negligible financial benefit for Ribble Valley Borough Council.

7.3 The Budget Working Group therefore recommended that this Council does not bring in the new powers regarding council tax on second homes or other premiums at this time.

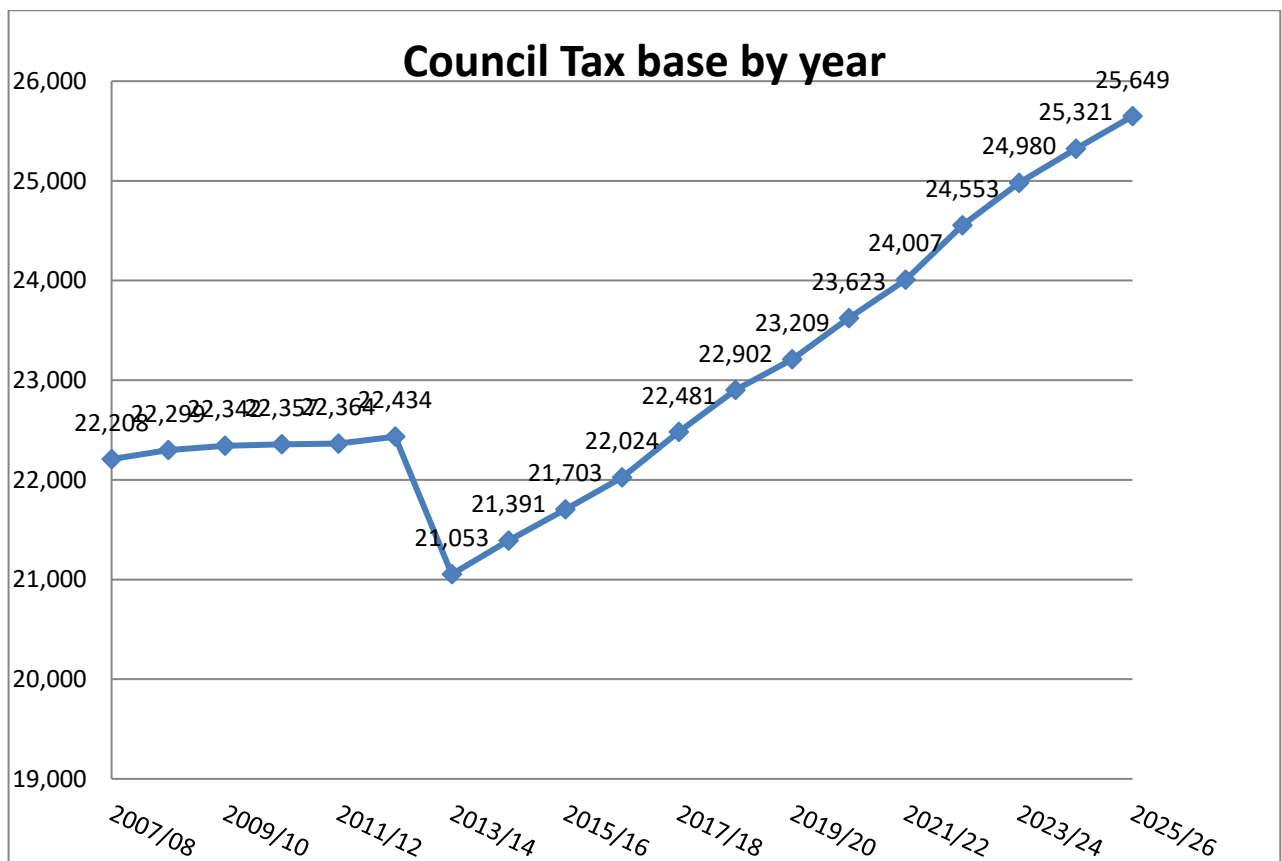
8 COUNCIL TAX BASE 2025/26

8.1 Our calculation has now been carried out across all of our parishes and has resulted in an overall tax base of 25,649 for 2025/26 of which is an increase of 1.4% on the tax base for 25,321 for 2024/25.

8.2 Our overall tax base is shown by parish in Annex 1.

9 MOVEMENT IN OUR TAX BASE

9.1 The following graph shows the movement in our overall tax base by year since 2007/08.



9.2 From 2013/14 you can see our tax base has increased significantly by around 1.4%– 2.5% each year.

10 LOCAL COUNCIL TAX SUPPORT (LCTS)

10.1 Our tax base rose steadily for the period 2007/08 to 2012/13. In 2013/14 local council tax support schemes (LCTS) were determined which replaced the national council tax benefit scheme. Local council tax support is awarded as a discount against the claimant's council tax bill. As discounts impact on the council's tax base this meant overall our tax base fell significantly in 2013/14 by as a direct result of the implementation of our scheme.

10.2 The Council decided from 2022/23 to remove the 12% reduction in support to working age claimants.

11 CONCLUSION

11.1 The Budget Working Group recommend that this Council does not bring in the new powers regarding council tax on second homes or other premiums at this time.

11.2 Our council tax base increased steadily over the period 2007/18 to 2013/14 however since then we have averaged overall increases of 1.3% to 2.5% each year.

12 RECOMMENDATION

12.1 Note the Council Tax Base for 2025/26 is 25,649.

12.2 Agree with the Budget Working Group's recommendation not to change the current exemptions and premiums as allowed under recent changes to legislation but to keep the new powers under review.

DIRECTOR OF RESOURCES AND DEPUTY CHIEF EXECUTIVE

PF54-24/JP/AC
22 October 2024

COUNCIL TAX BASE BY PARISH

ANNEX 1

	2025/26 taxbase	2024/25 taxbase	difference	% change
Aighton, Bailey & Chaigley	483	487	-4	-0.8%
Balderstone	202	201	1	0.5%
Barrow	816	811	5	0.6%
Bashall Eaves, Great Mitton & Little Mitton	203	207	-4	-1.9%
Billington & Langho	2,222	2,214	8	0.4%
Bolton by Bowland, Gisburn Forest & Sawley	492	492	0	0.0%
Bowland Forest (High)	73	75	-2	-2.7%
Bowland Forest (Low)	83	82	1	1.2%
Bowland with Leagram	85	82	3	3.7%
Chatburn	401	403	-2	-0.5%
Chipping	555	556	-1	-0.2%
Clayton le Dale	519	520	-1	-0.2%
Clitheroe	6,328	6,181	147	2.4%
Dinckley	46	45	1	2.2%
Downham	49	48	1	2.1%
Dutton	108	103	5	4.9%
Gisburn	243	244	-1	-0.4%
Grindleton	356	358	-2	-0.6%
Horton	53	52	1	1.9%
Hothersall	77	77	0	0.0%
Longridge	3,271	3,213	58	1.8%
Mearley	8	8	0	0.0%
Mellor	997	993	4	0.4%
Newsholme	20	20	0	0.0%
Newton	144	140	4	2.9%
Osbaldeston	105	105	0	0.0%
Paythorne	45	48	-3	-6.3%
Pendleton	112	110	2	1.8%
Ramsgreave	293	285	8	2.8%
Read	586	585	1	0.2%
Ribchester	681	675	6	0.9%
Rimington & Middop	236	240	-4	-1.7%
Sabden	551	550	1	0.2%
Salesbury	196	192	4	2.1%
Simonstone	504	498	6	1.2%
Slaidburn & Easington	152	153	-1	-0.7%
Thornley with Wheatley	175	174	1	0.6%
Twiston	36	37	-1	-2.7%
Waddington	451	453	-2	-0.4%
West Bradford	380	384	-4	-1.0%
Whalley	2,014	1,914	100	5.2%
Wilpshire	1,074	1,086	-12	-1.1%
Wiswell	181	177	4	2.3%
Worston	43	43	0	0.0%
	25,649	25,321	328	1.3%