

FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 20 th February 2024
Report Subject	Council Tax Setting for 2024/25
Report Author	Chief Officer (Governance)

EXECUTIVE SUMMARY

In response to an earlier report on the agenda councillors will have agreed the Council Fund Revenue Budget for 2024/25. Having determined the budget requirement, Council will also be able to set the Council Tax which is the subject of this report.

Council Tax includes three separate charges, otherwise known as precepts, which make up the total sum which is charged against each property. These are precepts set by:

- the County Council, and
- the Office of the Police and Crime Commissioner for North Wales, and
- the Town and Community Councils.

Council Tax is usually expressed at a standard Band D rate which results in Council Tax being charged at lower levels for those properties in Bands A to C, and at higher levels for those properties in Band E to I.

For 2024/25, the levels of Council Tax for approval for each property band and for Town and Community Council area, are dependent on the decisions of Council to set the overall Council Tax based on either:

- a 9.0% uplift in the County Council charges as set out in Appendix 1 to this report, or
- a 9.1% uplift in the County Council charges as set out in Appendix 2 to this report.

RECOMMENDATIONS

1	Set 2024/25 Council Tax, based on a 9.0% uplift in the County Council charges, as detailed in Appendix 1, or alternatively, set the 2024/25 Council Tax, based on a 9.1% uplift in the County Council charges, as detailed in Appendix 2.
---	---

2	Note and endorse the continuation of the policy of not providing a discount in the level of 2024/25 Council Tax charges for second homes and long-term empty homes, and where exceptions do not apply, to charge the Council Tax Premium rate of 75% above the standard rate of Council Tax for designated long-term empty dwellings and 100% for second homes from 1 st April 2024.
3	Approve designated officers to issue legal proceedings and appear on behalf of the Council in the Magistrates Court for unpaid taxes.

REPORT DETAILS

1.00	EXPLAINING THE COUNCIL TAX SETTING EXERCISE
1.01	The Council Tax charges for 2024/25 include precepts relating to the County Council, Police and Crime Commissioner for North Wales and all Town/Community Councils. Depending on the decisions taken by Council to set the County Council charge at either a 9.0% or 9.1% uplift, there are several statutory decisions that need to be taken and these are divided into the following sections in Appendix 1 and Appendix 2 respectively.
1.02	Section 1 – details the Council Tax Base for 2024/25, as previously approved by Cabinet, and shows the number of properties expressed as Band D equivalents (shown in total and by each Town/Community Council). The Tax Base also takes includes account appropriate adjustments for statutory discounts, exemptions, premiums and assumed losses in collection.
1.03	Section 2 –details the income and expenditure of the County Council and Town and Community Councils. It also sets out the amount of Council Tax to be charged across the various Valuation Bands in respect of the County Council precept and each Town/Community Council precept.
1.04	Section 3 – details the specific amount of Council Tax that is to be charged in each Valuation Band as a direct result of the precept set by the Police & Crime Commissioner for North Wales.
1.05	Section 4 – details the standard amount of Council Tax that taxpayers will be required to pay from April 2024, recognising that some households will pay less because of discounts or exemptions, and some will pay more in the event of the Council Tax Premium being payable.
1.06	Section 5 – re-affirms the continuation of the current policy in 2024/25 of not granting discounts on second homes and long-term empty properties which are defined by Regulations as three Prescribed Classes of Dwellings: <ul style="list-style-type: none"> • Class A – dwellings which are not a person’s sole and main residence, and which are substantially furnished with a restriction on occupancy for a period of at least 28 days consecutive days in any 12-month period (referred to as second homes)

	<ul style="list-style-type: none"> • Class B – dwellings which are not a person’s sole and main residence, and which are substantially furnished with no restriction on occupancy (also referred to as second homes) • Class C – dwellings which are not a person’s sole and main residence which are also unfurnished and unoccupied and have been so for a period of over 6 months in most cases. <p>The current policy of not offering a discount on second and long-term empty homes forms part of a wider strategy of encouraging owners to bring property back into full use. This is crucial to the implementation of the Council Tax Premium scheme where an additional charge, otherwise known as a Premium, will apply. In other words, is it essential to continue to adopt of policy of not awarding discounts on such properties in order to levy a Council Tax Premium.</p>																
1.07	<p>Section 6 – following a previous public consultation, and in view of the decision already made by full Council on 13th December 2022, unless there are exceptions to be applied, Council Tax for 2024/25 will be charged at a premium rate of 75% above the standard rate of Council Tax for those dwellings that are defined as ‘long term empty’ which have been empty for a continuous period of one year. A Council Tax premium of 100% will also apply to those dwellings defined as second homes.</p> <p>Since the Premium rates were uplifted from April 2023, the number of long term-empty properties and second homes subject to the premium have reduced, as more owners are bringing their properties into full use.</p> <table border="1" data-bbox="464 1128 1243 1574"> <thead> <tr> <th>2023/24</th> <th>Number of Long-term Empty Properties subject to 75% Premium</th> <th>Number of Second Homes Subject to 100% Premium</th> <th>Total Number of Properties subject to Premium</th> </tr> </thead> <tbody> <tr> <td>March 2023</td> <td>615</td> <td>179</td> <td>794</td> </tr> <tr> <td>January 2024</td> <td>595</td> <td>169</td> <td>764</td> </tr> <tr> <td>Variance</td> <td>-20</td> <td>-10</td> <td>-30</td> </tr> </tbody> </table>	2023/24	Number of Long-term Empty Properties subject to 75% Premium	Number of Second Homes Subject to 100% Premium	Total Number of Properties subject to Premium	March 2023	615	179	794	January 2024	595	169	764	Variance	-20	-10	-30
2023/24	Number of Long-term Empty Properties subject to 75% Premium	Number of Second Homes Subject to 100% Premium	Total Number of Properties subject to Premium														
March 2023	615	179	794														
January 2024	595	169	764														
Variance	-20	-10	-30														
1.08	Section 7 and 8 – approves designated officers to issue legal proceedings and appear on behalf of the Council in the Magistrates Court when prosecuting in cases of unpaid Council Tax and Business Rates.																
1.09	Section 9 – provides for the advertisement of the Council Tax for 2024/25 in the local press as required by Regulation.																

2.00	RESOURCE IMPLICATIONS
2.01	Setting the Council Tax is an annual process to determine the new charges for the next financial year as part of the overall budget strategy.

2.02	<p>Setting Council Tax at the levels set out in this report will result in the Council raising a precept of £109,578,818 if a decision is taken to uplift the County Council charges by 9.0%.</p> <p>Alternatively, if a decision is taken to uplift the County Council charges by 9.1%, it will result in the Council raising a precept of £109,679,261.</p>
2.03	<p>As part of the setting of Council Tax for 2024/25, the Council will also pay to the Police and Crime Commissioner for North Wales a total precept of £23,105,222. The precepts for each Town and Community Council vary but collectively a precept of £3,605,674 will be distributed between the Town and Community Councils, based on the individual precept requirements for each Town and Community Council.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>There is a statutory duty to consult with non-domestic ratepayers on the Council's budget proposals, including proposals for capital expenditure, before the commencement of each financial year and a consultation exercise has been undertaken to fulfil the legal requirements.</p>
3.02	<p>The Councils budget agreement for 2024/25 now results in the setting of Council Taxes at an uplift of 9.0% or 9.1% in the County Council element of the charges as detailed in appendix 1 or 2 respectively. The budget proposals have already been discussed at member workshops, all Overview and Scrutiny Committees and finally at Corporate Resources Overview and Scrutiny Committee.</p>

4.00	RISK MANAGEMENT
4.01	<p>The Council also has a responsibility to issue Council Tax bills and to also collect the precepts on behalf of the Police & Crime Commission for North Wales and Town/Community Councils. Setting the Council Tax at full Council will therefore fulfil all statutory requirements to set and collect Council Taxes from April 2024.</p>
4.02	<p>There are several risks associated with the setting of council tax:</p> <ol style="list-style-type: none"> 1) The level of tax raised and the impact this will have on the council and residents. 2) The date on which the decision to set the level of tax is taken.
4.03	<p>Councillors will be highly cognisant of the risk around the level of council tax to be set. If it sets the level too low then the council will have insufficient funds to deliver its statutory obligations and priorities, resulting in the need for the council's chief financial officer to issue a notice effectively declaring the council "bankrupt". Conversely if it sets tax levels too high then there is the risk of financial hardship to residents. These issues will have been intensely debated throughout the budget setting process and, whilst councillors could in theory set a level of tax below that</p>

	which is needed, it would be inconsistent to set a level of council tax that is insufficient to meet its spending requirements.
4.04	The risk of hardship to residents is mitigated through a number of means <ol style="list-style-type: none"> 1) First and foremost by councillors and officers seeking to keep the council's spending requirements as low as possible through savings, efficiencies and cuts as part of the budget process. 2) Through the provision of benefits such as the Council Tax Reduction Scheme and signposting to discounts, reliefs and exemptions. 3) By sensitive collection by the Revenues service of sums due.
4.05	The statutory deadline for setting council tax is the 11 March, as required by section 30 of the LGFA 1992. However, this statutory deadline does not take into account the minimum notice period which must be given to those who are required to pay their first instalments on 1 April 2024. The Council must give at least 14 days' notice before the due date of the first instalment. Failure to give that notice means that bills would not be collectable until May. This would mean that many taxpayers would be unable to pay their liability over 12 months and would have only 11 months in which to do so, thereby creating the risk of financial hardship.
4.06	The Council is obliged to make payments to the Police and Crime Commissioner and Town and Community Councils on set dates whether it has collected sufficient taxes or not. Being unable to collect instalments due in April would impede the council's cash flow requiring it to take on short term borrowing in order to meet its obligations.

5.00	APPENDICES
5.01	Appendix 1 - contains all resolutions and decisions needed to set the 2024/25 Council Tax if a decision is taken to uplift the County Council charges by 9.0%
5.02	Appendix 2 – contains all resolutions and decisions needed to set the 2024/25 Council Tax if a decision is taken to uplift the County Council charges by 9.1%
5.03	Appendix 3 - provides statistical information of the 2024/25 Council Tax charges by Town and Community Council area, based on a 9.0% uplift in the County Council charges.
5.04	Appendix 4 - Appendix 3 - provides statistical information of the 2024/25 Council Tax charges by Town and Community Council area, based on a 9.1% uplift in the County Council charges.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Local Government Finance Act 1992 • Local Government Act 1972 and 2003

- Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations
- Housing (Wales) Act 2014
- Local Authorities (Calculation of Council tax base) (Wales) Regs 1995

Contact Officer: David Barnes, Revenues & Procurement Manager

Telephone: 01352 703652

E-mail: david.barnes@flintshire.gov.uk

7.00 GLOSSARY OF TERMS

7.01

Council Tax Base: is a measure of the Council's 'taxable capacity' considering the number of properties subject to Council Tax after taking into account discount and exemption schemes.

Council Tax Precepts: Council Tax is made up of three separate components or charges, these are often referred to as 'precepts'. The Police and Crime Commissioner get part of their funding from Council Tax to pay for Police services and local Town and Community Councils rely almost entirely on funding from Council Tax to fund the running of Town and Community Council services.

Valuation Bands: The amount of Council Tax that is paid depends on the Valuation Band for each domestic property. The Valuation Office Agency (VOA) is responsible for valuing all properties in Wales and placing every property in one of nine property bands, ranging from Band A to Band I.

Council Fund Revenue Budget: Prior to the start of each financial year the Council is required to set a budget for its day-to-day expenditure to pay for local service. This is called a Revenue Budget and is the amount of money the Council requires to provide its services during the year, considering grants it receives from Welsh Government.

Revenue Support Grant: is paid to each Council to cover the cost of providing standard services less the council tax income at the standard level.