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| **Committee** | Cabinet<br>2 December 2026<br><br>Council<br>10 December 2026<br><br>Public |

# Setting the Council Tax Taxbase for 2027/28

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|---|---|
| **Cabinet Member:** | Councillor Roger Evans – Portfolio Holder for Finance |
| **Lead Director:** | Duncan Whitfield, Section 151 Officer |
| **Service Area:** | Finance |
| **Report Author** | Nicola Higgins, Strategic Finance Accountant |
| **Officer contact details** | nicola.higgins@shropshire.gov.uk |
| **Electoral Divisions Affected** | All Divisions |
| **Key Decision?** | Key Decision |
| **Cabinet Forward Plan** | Yes – 12 May 2026 |
| **Report considered by** | Cabinet – 2 December 2026<br>Full Council – 10 December 2026 |

## 1. Purpose of Report

1.1 The Council is required to set the Council Taxbase on an annual basis to determine the appropriate Council Tax levels for Shropshire Council to enable the budget to be set and, determine the Council Tax taxbase for the specific areas across the County. The precepting authorities advise the Council of their budget requirements which is then divided by the taxbase figure to arrive at the Band D Council Tax.

1.2 The report outlines the Council Tax discount policies, and Council Tax Support Schemes which are available to support those more vulnerable residents. The estimated allowances allocated for the support schemes and the Council's targeted Collection Rate are included in the taxbase calculation and the level of collectable Council tax.

1.3 This report sets out and recommends for approval the Council Tax taxbase for Shropshire Council for the 2027/28 financial year.

## 2. Recommendations

2.1 Cabinet is asked to recommend to Full Council to:

A. Approve, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Shropshire Council as its Council Tax taxbase for the year 2027/28, as detailed in Appendix A, totalling 122,432.55 Band D equivalent properties.

B. Agree that the taxbase includes the amendments to the Council's localised Council Tax Support (CTS) scheme which have been agreed by Cabinet and are subject to approval at Council on 10 December 2026. The scheme is attached at Appendix B.

C. Agree the exclusion of 8,350.60 Band D equivalent properties from the taxbase calculation as a result of localised Council Tax Support.

D. Agree continuation of the discretionary Council Tax discount policy to not award a discount in respect of Class A exempt properties / vacant dwellings undergoing major repair.as set out in paragraph 4.13.

E. Agree continuation of the discretionary Council Tax discount policy in respect of vacant dwellings, as set out in paragraph 4.13.

F. Agree continuation of the "six-week rule" in respect of vacant dwellings, as set out in paragraph 4.13.

G. Agree continuation of the discretionary Council Tax discount policy to levy a Council Tax premium of 100% in relation to dwellings which have been unoccupied and substantially unfurnished for more than one year (but less than five years) and the resulting inclusion of an additional 945.45 Band D equivalent properties in the taxbase calculation.

H. Agree continuation of the discretionary Council Tax discount policy to levy a Council Tax premium of 200% in relation to dwellings which have been unoccupied and substantially unfurnished for more than five years (but less than ten years) and the resulting inclusion of an additional 246.00 Band D equivalent properties in the taxbase calculation.

I. Agree continuation of the discretionary Council Tax discount policy to levy a Council Tax premium of 300% in relation to dwellings which have been unoccupied and substantially unfurnished for more than ten years and the resulting inclusion of an additional 181.66 Band D equivalent properties in the taxbase calculation.

J. Agree the continuation of the discretionary Council Tax discount policy to levy a Council Tax premium of 100% in relation to second homes (other than those that retain a 50% discount through regulation as a result of job-related protection) and

the resulting inclusion of an additional 1,197.11 Band D equivalent properties in the taxbase calculation (Appendix C).

K. Agree a collection rate for the year 2027/28 of 98.0%.

## 3. Background

3.1 Shropshire Council has responsibility for determining the Council Tax taxbase for the Council's geographical area.

3.2 The taxbase for Council Tax must be set between 1 December 2026 and 31 January 2027 in relation to 2027/28 financial year as prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 2012.

3.3 The Council is also required to inform the major precepting authorities, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, of the taxbase to enable the calculation of Council Tax for the following year. The town and parish councils are also notified of their own Council Tax taxbase. A detailed analysis of how the Taxbase has been calculated by both parish and town council and Environment Agency region is set out in **Appendix A**.

## 4. Summary of Main Proposals

**Taxbase Calculation**

4.1 The Council tax information is taken from the valuation list. The Council Tax taxbase is the number of properties across the County located within each council tax property valuation bands A to H. The valuation listing is updated to reflect the adjustment set out in paragraph 4.4. The taxbase is expressed as a Band D equivalents.

4.2 An analysis of Council Tax bands within Shropshire Council is detailed below:

| Property Band | House Value | Ratio to Band D | Analysis of Dwellings on the Valuation List (%) | % Increase / (Decrease) over 2026/27 |
|---|---|---|---|---|
| A | Under £40,000 | 6/9 | 18.0 | 0.5 |
| B | 40,001 - 52,000 | 7/9 | 25.5 | 0.4 |
| C | 52,001 - 68,000 | 8/9 | 20.9 | 0.9 |
| D | 68,001 - 88,000 | 9/9 | 14.5 | 0.7 |
| E | 88,001 - 120,000 | 11/9 | 11.6 | 0.9 |
| F | 120,001 - 160,000 | 13/9 | 6.1 | 0.6 |
| G | 160,001 - 320,000 | 15/9 | 3.2 | 0.3 |
| H | Over 320,000 | 18/9 | 0.2 | 0.3 |

4.3 As at 9 September 2026 there are 153,908 properties in the valuation list for the Shropshire Council area. This compares with a figure of 152,932 in the list at the

same period last year. There has been an increase of 976 properties overall, which equates to 0.64%.

4.4 The methodology followed for calculating the taxbase is as follows:

- Ascertain the number of properties in each Council Tax band (A to H) shown in the valuation list as at 9 September 2026.
- Adjust for estimated changes in the number of properties through new build, properties which have been demolitions and those property's which are exemption.
- The number of discounts and disabled relief allowances which apply as at 5 October 2026.
- Convert the number of properties in each Council Tax band to Band D equivalents by using the ratio of each band-to-Band D to identify the total number of Band D equivalents for the Council.
- Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year.

4.5 These calculations are undertaken for each property band in each parish.

4.6 The calculated taxbase for 2027/28 is 122,432.55 Band D equivalents which is an increase of 0.48% from 2026/27.

**Collection Rate**

4.7 In calculating the taxbase, an allowance must be made to provide for changes to the taxbase which have taken place during the year such as new properties, appeals against Council tax bandings, additional discounts, and Council Tax Support award changes. In addition, an adjustment is made where collection has been unsuccessful resulting in lost income from non-payment. This is following implementing a robust recovery process. The collection rate is then determined following these adjustments.

4.8 Actual in year collection rates in 2023/24, 2024/25 and 2025/26 were 97.8%, 97.7% and 97.4% respectively.

4.9 A collection rate of 98.0% was assumed for the 2026/27 financial year and it is recommended that a collection rate of 98.0% should be assumed for the purpose of determining the Council Tax taxbase in 2027/28. The Council is looking to recruit additional resources in 2027/28 to assist with Council Tax collection and further increase the collection rate in future years.

4.10 If the actual collection of Council Tax exceeds or falls short of the 98.0% set in the budget a surplus/deficit is generated, which is allocated between the Unitary Council, West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority, pro rata to their demand on the Collection Fund for the relevant year. Conversely.

4.11 The surplus or deficit is considered in setting the Council Tax in the following year. In setting the Collection Rate at 98 %, it is recognised that this is a target and in the knowledge that the 2026/27 collection rate is currently falling short of this. However the Council aspires to achieving this rate in the interests of residents and to finance

the delivery of Council services. Appropriate measures are currently in place for pursuing any debt and these will be enhanced during the next twelve months.

4.12 In context, in 2025/26 the Council achieved the 90th highest collection rate nationally out of 296 Councils. Shropshire achieved a 97.4% collection rate compared to a national average for unitary authorities on 95.8%

**Discretionary Discount Policies**

4.13 To calculate the taxbase, adjustments are made for the discounts and premiums. A summary of the discretionary discounts and premiums applied for 2027/28 is provided below with further details included in **Appendix C**.

- Charge a 100% Council Tax premium in respect of second homes (other than those that retain a 50% discount through regulation as a result of job-related protection).

- Award no discount in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties

- Award a discount in respect of vacant dwellings, i.e. former Class C exempt properties, of 100% for one month

- Apply the “six-week rule” in respect of vacant dwellings, i.e. former Class C exempt properties

- Charge a 100% Council Tax premium in respect of dwellings which have been unoccupied and substantially unfurnished for more than one year, a 200% Council Tax premium in respect of dwellings which have been unoccupied and substantially unfurnished for more than five years and a 300% Council Tax premium in respect of dwellings which have been unoccupied and substantially unfurnished for more than ten years

**Council Tax Support Scheme**

4.14 Cabinet considered the current Council Tax Support scheme at its meeting on 9 September 2026.

4.15 At that meeting Cabinet resolved to retain the current tapered scheme with the following adjustments:

- Disregard Child Benefit as an income when assessing Council Tax charge at an estimated reduction on the collection of Council Tax of between £750k - £800k per year this subject to a full public consultation

- Retain current 20% minimum payment and maintain current protections for vulnerable groups (See Appendix B).

- Continue to support those impacted by 20% minimum payment with a top up from the Crisis Resilience Fund as follows

    - 2026-27 (current year) – up to £80

- 2027-28 – up to £90
- 2028-29 – up to £100

4.16 A full public consultation took place from 10 September 2026 to 22 October 2026. Cabinet considered the responses to the consultation at its meeting on 18 November 2026 and resolved to recommend continuation of the existing Council Tax Support scheme as detailed above, with an amendment to disregard Child Benefit as an income in the assessment of Council tax Support in order to provide additional support to low-income families with children. This change is subject to approval by full Council on 10 December 2026.

4.17 The cost of this change is estimated to be between £750k and £800k across all precepting authorities and represents 78% of this cost to Shropshire Council directly. £609k to £624k. This equates to around 327 band D equivalent properties.

## 5. Key risks and Opportunities

5.1 Expression of Council Tax Support in terms of Band D equivalents results in a higher potential for inaccuracies in the determination process as Council Tax Support is a significantly more volatile discount element.

5.2 Details of the potential risk in relation to establishing a collection rate allowance is detailed within this report in Section 4.

## 6. Council Priorities

6.1 This report is a regulated requirement in advance of Council approving a balanced budget and Council Tax for 2027/28. This decision will be taken at Council on 25th February.

6.2 It is noted that the Council priority to build more housing in Shropshire acts to increase the Council Tax Base and therefore generate additional revenue for the Council.

## 7. Financial Implications

7.1 The Council Tax taxbase value impacts the Council Tax that will be levied by the Council for 2027/28 financial year.

7.2 The implication of the Council's localised Council Tax Support scheme is detailed in **Appendix B**.

7.3 The financial implications of the discounts and premiums to be applied in 2027/28 are detailed in **Appendix C**.

7.4 The implications regarding the determined collection rate are detailed in Section 8.

## 8. Legal and HR implications

8.1 The taxbase for Council Tax must be set between 1 December 2026 and 31 January 2027 in relation to 2027/28 as prescribed by the Local Authorities (Calculation of Council Tax Base) Regulations 2012.

8.2 There is a legal requirement to consult in relation to any changes to the Council Tax Support scheme and the Council has undergone a six-week public consultation from 10 September 2026 to 22 October 2026. Major precepting authorities have been advised of the actual impact on the overall taxbase resulting from the changes to the Council Tax Support scheme. The Council has a legal obligation to have a Council Tax Support scheme following the abolition of the national scheme, and the recommendations in this report support that requirement.

## 9. Electoral Division Implications

9.1 There are no electoral division implications directly arising from this report.

## 10. Health, Social (including "Child Friendly Shropshire") and Economic Implications

10.1 The proposed change to disregard Child Benefit as an income will ensure that low-income families with children receive additional support with their council tax.

## 11. Equality and Diversity Implications

11.1 An Equality, Social Inclusion and Health Impact Assessment (ESHIA) was carried out in relation to the proposal to disregard Child Benefit as income in the calculation of Council Tax Support for working age claimants. The ESHIA is included in **Appendix D**.

11.2 The proposed change is a beneficial change for residents in receipt of child benefit.

11.3 An Equality, Social Inclusion and Health Impact Assessment (ESHIA) was carried out in relation to the proposal to charge a premium in respect of substantially unfurnished dwellings that are unoccupied. The ESHIA is included in **Appendix E.**

11.4 The ESHIA identifies a neutral or low impact on the groups identified.

11.5 An Equality, Social Inclusion and Health Impact Assessment (ESHIA) was carried out in relation to the proposal to charge a premium in respect of substantially furnished dwellings that are not occupied as a person's main residence. The ESHIA is included in **Appendix F.**

11.6 The ESHIA identifies a neutral or low impact on the groups identified.

## 12. Climate Change, Biodiversity and Environmental Implications

12.1 There are no climate change, biodiversity and environmental implications directly arising from this report.

## 13. Background Papers

1. Council Tax Support Scheme – Cabinet 9th September 2026
2. Council Tax Support, proposed changes 2027-28 consultation responses – Cabinet 18th November 2026

## 13 Appendices

Appendix A – 2027/28 Parish and Town Council, Council Tax Taxbase Summary for Shropshire Council
Appendix B – Shropshire Council's Localised Council Tax Support Scheme
Appendix C – Discretionary Discount Policies
Appendix D – Council Tax Support Child Benefit - Equality, Social Inclusion and Health Impact Assessment (ESHIA)
Appendix E – Long Term Empty Property Premium - Equality, Social Inclusion and Health Impact Assessment (ESHIA)
Appendix F – Second Homes Premium - Equality, Social Inclusion and Health Impact Assessment (ESHIA)

**2027/28 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council** **APPENDIX A**

| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
|---|---|
| | |
| Abdon & Heath | 113.97 |
| Acton Burnell, Frodesley, Pitchford, Ruckley & Langley | 270.29 |
| Acton Scott | 42.73 |
| Adderley | 195.23 |
| Alberbury with Cardeston | 423.08 |
| Albrighton and Donington | 2,356.96 |
| All Stretton, Smethcott & Woolstaston | 184.87 |
| Alveley & Romsley | 913.32 |
| Ashford Bowdler | 43.19 |
| Ashford Carbonel | 200.59 |
| Astley | 207.61 |
| Astley Abbotts | 247.42 |
| Aston Botterell, Burwarton & Cleobury North | 114.81 |
| Atcham | 105.79 |
| Badger | 69.21 |
| Barrow | 275.93 |
| Baschurch | 1,343.71 |
| Bayston Hill | 1,848.15 |
| Beckbury | 151.70 |
| Bedstone & Bucknell | 351.51 |
| Berrington | 464.13 |
| Bettws-Y-Crwyn | 91.14 |
| Bicton | 382.44 |
| Billingsley, Deuxhill, Glazeley & Middleton Scriven | 167.93 |
| Bishops Castle Town | 715.51 |
| Bitterley | 358.94 |
| Bomere Heath & District | 905.88 |
| Boningale | 145.20 |
| Boraston | 82.77 |
| Bridgnorth Town | 4,677.77 |
| Bromfield | 121.34 |
| Broseley Town | 1,622.03 |
| Buildwas | 145.70 |
| Burford | 455.45 |
| Cardington | 219.84 |
| Caynham | 547.20 |
| Chelmarsh | 234.36 |
| Cheswardine | 393.72 |
| Chetton | 161.45 |
| Childs Ercall | 315.03 |
| Chirbury with Brompton | 356.39 |
| Church Preen, Hughley & Kenley | 132.99 |
| Church Pulverbatch | 167.02 |
| Church Stretton & Little Stretton Town | 2,225.00 |
| Claverley | 963.40 |
| Clee St. Margaret | 75.29 |
| Cleobury Mortimer | 1,217.90 |
| Clive | 251.81 |
| Clun Town with Chapel Lawn | 556.78 |
| Clunbury | 254.12 |

**2027/28 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council** **APPENDIX A**

| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
|---|---|
| | |
| Clungunford | 152.07 |
| Cockshutt-cum-Petton | 321.77 |
| Condover | 955.42 |
| Coreley | 141.84 |
| Cound | 221.42 |
| Craven Arms Town | 853.77 |
| Cressage, Harley & Sheinton | 418.47 |
| Culmington | 175.18 |
| Diddlebury | 304.66 |
| Ditton Priors | 398.72 |
| Eardington | 249.25 |
| Easthope, Shipton & Stanton Long | 210.78 |
| Eaton-Under-Heywood & Hope Bowdler | 190.89 |
| Edgton | 49.05 |
| Ellesmere Rural | 1,014.30 |
| Ellesmere Town | 1,668.74 |
| Farlow | 199.70 |
| Ford | 345.67 |
| Great Hanwood | 428.51 |
| Great Ness & Little Ness | 572.62 |
| Greete | 53.32 |
| Grinshill | 115.91 |
| Hadnall | 386.82 |
| Highley | 1,155.93 |
| Hinstock | 559.06 |
| Hodnet | 639.91 |
| Hope Bagot | 36.61 |
| Hopesay | 268.63 |
| Hopton Cangeford & Stoke St. Milborough | 170.05 |
| Hopton Castle | 41.91 |
| Hopton Wafers | 313.85 |
| Hordley | 101.90 |
| Ightfield | 222.03 |
| Kemberton | 119.40 |
| Kinlet | 478.04 |
| Kinnerley | 534.59 |
| Knockin | 151.94 |
| Leebotwood & Longnor | 211.74 |
| Leighton & Eaton Constantine | 206.48 |
| Llanfairwaterdine | 111.24 |
| Llanyblodwel | 280.83 |
| Llanymynech & Pant | 691.20 |
| Longden | 563.34 |
| Loppington | 281.30 |
| Ludford | 526.10 |
| Ludlow Town | 3,712.55 |
| Lydbury North | 235.21 |
| Lydham & More | 142.85 |
| Mainstone & Colebatch | 90.45 |

**2027/28 Parish and Town Council Council Tax Taxbase Summary for Shropshire Council** **APPENDIX A**

| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
|---|---|
| | |
| Market Drayton Town | 4,402.15 |
| Melverley | 55.22 |
| Milson & Neen Sollars | 123.06 |
| Minsterley | 663.17 |
| Montford | 247.31 |
| Moreton Corbett & Lee Brockhurst | 147.65 |
| Moreton Say | 223.59 |
| Morville, Acton Round, Aston Eyre, Monkhopton & Upton Cressett | 407.70 |
| Much Wenlock Town | 1,286.70 |
| Munslow | 192.42 |
| Myddle & Broughton | 625.27 |
| Myndtown, Norbury, Ratlinghope & Wentnor | 275.18 |
| Nash | 150.53 |
| Neen Savage | 152.76 |
| Neenton | 64.02 |
| Newcastle | 134.07 |
| Norton-In-Hales | 345.30 |
| Onibury | 139.05 |
| Oswestry Rural | 1,725.49 |
| Oswestry Town | 5,563.04 |
| Pontesbury | 1,434.72 |
| Prees | 1,243.88 |
| Quatt Malvern | 104.44 |
| Richards Castle | 143.74 |
| Rushbury | 292.14 |
| Ruyton-XI-Towns | 465.05 |
| Ryton & Grindle | 82.41 |
| Selattyn & Gobowen | 1,478.24 |
| Shawbury | 912.94 |
| Sheriffhales | 343.27 |
| Shifnal Town | 3,644.90 |
| Shrewsbury Town | 27,831.67 |
| Sibdon Carwood | 46.66 |
| St. Martins | 1,046.27 |
| Stanton Lacy | 167.22 |
| Stanton-Upon-Hine Heath | 254.22 |
| Stockton | 138.68 |
| Stoke-Upon-Tern | 535.48 |
| Stottesdon & Sidbury | 358.13 |
| Stowe | 51.30 |
| Sutton Maddock | 111.09 |
| Sutton-Upon-Tern | 421.73 |
| Tasley | 457.58 |
| Tong | 124.74 |
| Uffington | 105.64 |
| Upton Magna | 149.16 |
| Welshampton & Lyneal | 396.20 |
| Wem Rural | 710.82 |
| Wem Town | 2,088.94 |
| West Felton | 605.61 |

| Parish / Town Council | Council Tax Taxbase (Band D Equivalents) |
|---|---|
| | |
| Westbury | 524.48 |
| Weston Rhyn | 943.15 |
| Weston-Under-Redcastle | 123.73 |
| Wheathill | 85.29 |
| Whitchurch Rural | 697.60 |
| Whitchurch Town | 3,750.83 |
| Whittington | 1,044.33 |
| Whitton | 56.48 |
| Whixall | 346.71 |
| Wistanstow | 334.00 |
| Withington | 106.57 |
| Woore | 625.50 |
| Worfield & Rudge | 940.28 |
| Worthen with Shelve | 866.75 |
| Wroxeter & Uppington | 171.68 |
| | |
| **Shropshire Council Total** | **122,432.55** |
| | |
| | |
| Environment Agency - Severn Trent Region | 114,794.53 |
| Environment Agency - Welsh Region | 4,884.12 |
| Environment Agency - North West Region | 2,753.90 |
| | |
| **Shropshire Council Total** | **122,432.55** |

**APPENDIX B**

## Council Tax Support

1.1. The 2010 Spending Review announced the localisation of council tax support and The Welfare Reform Act 2012 abolished Council Tax Benefit from 31 March 2013 and required that Local Government created a localised Council Tax Support (CTS) scheme effective from 1 April 2013, accommodating a reduction in funding of 10%.

1.2. Shropshire Council's localised CTS scheme was approved in December 2018. From 2013, therefore, council tax support has taken the form of reductions within the council tax system, replacing national council tax benefit. Making reductions as part of the council tax system reduces a billing authority's Council Tax taxbase. Billing and major precepting authorities receive funding (Council Tax Support Grant) which reduce their council tax requirement and, depending on the design of the local council tax scheme, can help offset the council tax revenue foregone through reductions.

1.3. Cabinet considered the current Council Tax Support Scheme at its meeting on 18 November 2026 and resolved to recommend the continuation of the existing Council Tax Support scheme with one change to disregard Child Benefit as an income in the assessment of Council Tax Support. This change is subject to approval by full Council on 10 December 2026. Further details are provided in Section 4 of this report and is detailed in the scheme summary included in section 1.7 below.

1.4. An estimate of the effect of the local Council Tax Support Scheme on the Council Tax taxbase has been determined for Shropshire. It is estimated that the Council Tax Support Scheme will reduce the Council Tax taxbase by 8,350.60 Band D equivalents.

1.5. As Council Tax Support entitlement will vary throughout the year and this will affect the taxbase it is more likely that the amount of Council Tax collected in 2027/28 will vary from the estimate.

1.6. A link to the full scheme for 2026/27 is below.

https://next.shropshire.gov.uk/media/vxxjcled/ctrs-2026-2027-new-1.pdf

1.7. The CTS scheme summary is provided on the following pages.

**SHROPSHIRE COUNCIL – BENEFITS SERVICE**

**COUNCIL TAX SUPPORT (CTS)**

## Introduction

The current Council Tax Benefit scheme is a means tested benefit that helps people with a low income to pay their Council Tax.

From April 2013 this will be abolished and all local authorities will provide a new scheme called 'Council Tax Support'. The funding that is provided for this scheme will be reduced by 10% and therefore it is likely that some people will have to pay more towards their Council Tax bill.

The changes will not affect pensioners even though they will move into the new scheme. The Government have confirmed that all pensioners will be protected and receive the same amount of benefit they do now under the current Council Tax Benefit Scheme. Each local authority will be able to provide Council Tax support in a different way depending on local needs, funding available and how it can be administered. Each Council is expected to devise a new scheme and then put this to public consultation by the end of 2012.

Our new scheme was devised and published on the Shropshire Council website for customers, stakeholders and other agencies to comment on. Public consultation closed on the 14th December and the new scheme was formally adopted by the Council on 16th January 2013.

Anyone of working age will now be subject to the new scheme from April 2013. The differences that you will see in the new Council Tax Support Scheme are: -

- Removal of second adult rebate
- Reduction of the capital limit from £16,000 to £10,0000
- Removal of earnings disregards
- Removal of child benefit disregard
- Increase in non-dependant deductions

Please note the following amendments are for the calculation of Council Tax Support only and do not affect Housing Benefit calculations.

## Removal of Second Adult Rebate

Second Adult Rebate (2AR) is awarded to a customer based on the circumstances of a second adult living in the property. Under the new scheme this has been abolished and will no longer be effective from 01.04.13.

## Reduction of the capital limit

For working age people the capital limit will reduce to £10,000 from 01.04.13. This will mean that if a customer's savings amounts to more than £10,000, they will not be entitled to CTS. The lower capital limit of £6,000 remains the same.

Tariff income calculations remain as is i.e. from the total amount if capital £6,000 is deducted, the remainder is then dived by 250 if the result is not an exact multiple of £1 the result is rounded up to the next whole £1

All other capital rules including static savings, land and property, shares, etc remain the same.

**Removal of Earnings disregards**

All income disregards for working age people will cease from the 01.04.13.

**Removal of Child Benefit disregards**

Child benefit will no longer be disregarded from the calculation of CTS from the 01.04.03.

**Increase in non-dependant earned income deductions (working age only)**

From 01.04.13 non dep deductions will increase to the following: -

£5 for anyone earning under £100,
£10 for anyone earning between £100 and £150
£20 for anyone earning over £150 per week

This deduction will only be made from their earned income. It won't affect any other income they receive.

**Non-dependant earned income deductions (pension age only)**

| | | |
|---|---|---|
| Gross income less than £186.00 | = | £3.65 |
| Gross income £186.00 to £321.99 | = | £7.25 |
| Gross income £322.00 to £400.99 | = | £9.15 |
| Gross income £401.00 or above | = | £10.95 |

**Unearned income will attract the following disregards (working age and pension age):**

| | | |
|---|---|---|
| Others aged 18 or over incl. JSAC & ESAC | = | £3.65 |
| In receipt of Pension Credit, IS, JSA (IB), ESA(IR) | = | nil |

**(This disregard will be up-rated annually in line with figures provided annually by DCLG)**

**A new minimum earnings threshold will be introduced with effect from 01/04/15 to reflect the current arrangements in the Housing Benefit scheme.**

This minimum earnings threshold will help to determine whether a European Economic Area (EEA) national's previous or current work can be treated as genuine and effective for the purposes of deciding whether they have a right to reside in the UK as a worker or self-employed person.

The minimum earnings threshold has been set at the level at which workers start to pay National Insurance Contributions (NICs), currently £153 a week in the 2014/15 tax year. If an EEA national can prove that they have been earning at least this amount for a period of 3 months immediately before they claim CTS their work can be treated as genuine and effective and they will have a right to reside as a worker or self-employed person.

If they do not satisfy the minimum earnings threshold criteria, a further assessment will be undertaken against a broader range of criteria (such as hours worked, pattern of work, nature of employment contract etc.) to determine whether their employment is genuine and effective.

Ultimately, if an EEA national's income does not meet the minimum earnings threshold or the additional criteria to be classified as genuine and effective employment they will not be eligible for CTS.

**Special Educations Needs Allowance – to be disregarded in full with effect from 01/09/14**

**War Pensions / Armed Forces Compensation Scheme Guaranteed Income Payments – to be disregarded in full with effect from 01/04/13 (and to be consistent with Housing Benefit)**

**From 01/04/15 the CTR scheme will include changes to the habitual residency test to reflect changes to the Housing Benefit (HB) regulations.**

The amendments to the CTS scheme removes access to CTS for EEA jobseekers who make a new claim for CTS on or after 1 April 2015. EEA nationals who are self-employed, are workers or who are unemployed but retain their worker status have the same rights to CTS as a UK national and their situation remains unchanged.

EEA jobseekers who are entitled to CTS and JSA(IB) on 31 March 2015 will be protected until they have a break in their claim for CTS or JSA. If their JSA ends because they have started work, then as long as we can be satisfied that their employment is genuine and effective they will be able to access in-work CTS as either a worker or a self-employed person. Claimants receiving in-work CTS beyond 1 April will continue to be able to access CTS, if they become entitled to JSA(IB) on or after that date, but only if they retain their worker status. If they are a jobseeker then their CTS entitlement ends from the Monday following the cessation of work.

**Changes with effect from 1 April 2018 to bring the scheme in line with Housing Benefit changes**

- **2 child cap**
  The Government has announced that they will limit benefit support by only taking into account a maximum of two dependent children per family. It affects all claims where new children are born after April 2017. This will applies in Housing Benefit to families that make a new claim from April 2017

- **Loss of the family premium**
  The Government removed the family premium for new claims within the assessment of Housing Benefit with effect from May 2016

- **Bereavement Support Payments to be disregarded in full**
  This was introduced into Housing Benefit with effect from April 2017

- **Any payments from the 'We love Manchester Fund' and the 'London Emergency Trust' to be disregarded in full**

- **Maximum backdate period of 1 month**

- **Absence from home limited to 4 weeks when outside GB**
  The temporary absence rules for Housing Benefit were amended in 2015 reducing the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks.

  The limit applies to new periods of absence only. Exceptions are when an absence is in relation to
  - Death of a partner, child or close relative
  - Receiving medical treatment
  - A person who has fled their home due to fear of violence
  - A member of Her Majesty's forces posted overseas

- **Beneficial changes in circumstances to be reported within one month of the change in order for the claim to be updated from the date of change, otherwise changes will take effect from the Monday following date notified.**

- **All working aged claimants who receive Council Tax Support (unless they are a pensioner or classed as vulnerable) will pay 20% of their council tax liability, (after appropriate discounts have been awarded)**

  An example of this change is as follows:
  1) Current scheme (which allows for 100% reduction)
     The customer's liability is £20.00 per week. As they are in receipt of Jobseekers Allowance they are entitled to full Council tax reduction making their council tax balance for the year £0.00
  2) Proposed new scheme (20% minimum payment)
     The customer liability is £20.00. Before any calculation takes place 20% of this amount is reduced from the liability to be used. This means that any calculation will be carried out on a figure of £16.00. Again the customer is on Jobseekers Allowance and so they are entitled to a full award. This will mean their council tax balance for the year will be £208.00 (£4.00 x 52).

- **De Minimis change amount of £10.00 per week for claimants in receipt of Universal Credit**

- **Apply a minimum award of £1.50**

- **Claimant or partner who meet the specific criteria of severe disablement contained within the policy will be protected from any percentage reduction in council tax support. Claimant or partner in receipt of Employ ment and Support Allowance will be protected from any percentage reduction in council tax support. This will also apply to customers who meet the criteria for**

**receiving a war compensation related benefit or pension. Specifically this includes**

Criteria to be awarded for the severe disability premium:

- The customer has to be in receipt of
  1) Attendance allowance or
  2) Higher or middle rate care component of disability living allowance or
  3) The daily living allowance rate of personal independence payments
- They must not have a resident non-dependant
- No person is entitled to, and in receipt of, carers allowance in respect of caring for the customer and;
- If the customer has a partner they must also meet all above criteria

Criteria to be awarded the support component of employment and support allowance

It is accepted that some people's difficulties or disabilities are such that not only is the person not expected to look for work but are also not expected to undertake an work related activities or plan for starting work due to the severity of their difficulties

Criteria to qualify for the war pension's exemption

The customer and/or partner has to be in receipt of either:

- War pension
- War disablement pension
- War service attributable pension
- War widows pension
- War mobility supplement

**Changes with effect from 1 April 2019**

Severe Disability Premium does not exist in Universal Credit. From 1 April 2019 claimants or couples that have moved into Universal Credit but meet the above criteria for the severe disablement premium will be exempt from the percentage reduction.

Employment and support allowance does not form part of Universal Credit. Instead there is a limited capability for work and limited capability for work related activity element in Universal Credit which is similar to that used for identifying the work related activity group and support group of Employment Support Allowance. From 1 April 2019 claimants or partners in receipt of the limited capability for work related activity element in Universal Credit that is the equivalent to the support element of employment and support allowance will be exempt from the percentage reduction.

**Changes with effect from 1 April 2020**

- We have defined a council tax reversal as an amount of Council Tax Support to which the claimant was not entitled, and we have clarified what action the Council will take depending on whether the reversal is caused by claimant error, or official error.

- We have clarified that where a reversal is due to claimant error the total sum of the reversal shall be fully chargeable and recoverable as part of the claimant's council tax liability

- We have clarified that where the reversal arose due to official error, that where the claimant or their representative could reasonably have been expected at the time to realise that the assessment had been made in error, the total sum of the reversal shall be fully chargeable and recoverable as part of the claimant's council tax liability. Otherwise, the amount of the reversal will not be chargeable and recoverable as part of the claimant's council tax liability

- In the event of a council tax reversal, the Council will consider any underlying award that the claimant should have been entitled to provided evidence is received from the claimant within 1 month of the claimant being notified of the reversal, or where an appeal against a recoverable reversal is made

- We have clarified the definition of pensioner in accordance with new benefit rules for mixed age couples and eligibility for Local Council Tax Reduction Schemes

- Any payment made by the Home Office under the Windrush Compensation Scheme or the Windrush Exceptional Payment Scheme will be disregarded as capital

**Changes with effect from 1 April 2022**

CTRS scheme reg 74 (a)

Insert

*(aa) who is a person on universal credit, except where the award of universal credit to that person includes an amount in respect of a liability to make payments in respect of the accommodation they occupy as their home, in accordance with section 11 of the Welfare Reform Act 2012 (housing costs);*

Note: This is to align the CTRS scheme with a statutory amendment to the qualifying criteria for Housing Benefit, this amendment should prevent circumstances where an applicant is excluded from CTRS whilst being eligible for HB or UCHE

CTRS scheme part 13 (106)
Insert

*(14) Where there is a change of circumstances which results in a change to the maximum council tax reduction for the purposes of calculating eligibility for a reduction under PART 7 (28), from the first day of the benefit week after the date on which the change first occurred.*

Note: This will insert an 80%/100% cap on maximum council tax reduction and aligns the circumstances of claimants in receipt of UC with those in receipt of Passported Benefits to ensure that a claimant's maximum CTRS is calculated appropriate to their status and that vulnerable households are not disadvantaged.

**Changes with effect from 1 April 2023**

Added to schedules 9 and 10 capital to be disregarded, both pens and WA (and also income other than earnings for good measure)

(7) any payment made under or by the approved blood scheme, or the Scottish Infected Blood Support Scheme as established or approved by the Secretary of State, or trust established with funds provided by the Secretary of State

(8) any payment made under or by a trust, established for the purpose of giving relief and assistance to disabled persons whose disabilities were caused by the fact that during their mother's pregnancy she had taken a preparation containing the drug known as Thalidomide, and which is approved by the Secretary of State.

Add to interpretation

""approved blood scheme" means a scheme established or approved by the Secretary of State, or trust established with funds provided by the Secretary of State, for the purpose of providing compensation in respect of a person having been infected from contaminated blood products;";

Amended

105 6

From
Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
To
Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
(a) Where the applicant was included as "the partner" of the deceased (or ex-partners) Council Tax Support entitlement at date of death or separation, The Council Tax Liability created following the death of an applicant's partner or their separation falls to be treated as "first liable" within Reg 105 (2) of this scheme

**Changes with effect from 1 April 2024**

Added to schedule 10 capital to be disregarded (and also income other than earnings for good measure). In order to mirror changes to housing benefit regulations.
Any payment made under the post office compensation scheme (horizon compensation)

Amend regulation 109(d)

From: (d) in a case where—

i (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

ii (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

iii (iii) the application to the authority is received at the designated office within one month of the date of the change, the date on which the change takes place; (e) in a case where—

iv (i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and

v (ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation, the date of the death or separation;

To: (d) in a case where—

vi (i) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

vii (ii) the application to the authority is received at the designated office within one month of the date of the change, the date on which the change takes place; (e) in a case where—

viii (i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and

ix (ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation, the date of the death or separation;

This allows for the customer to have a calendar month to apply for council tax support once a new liability has been created for all claims, not just those on means tested benefit. Currently those not on means tested benefit has have to apply within the benefit week.

**Amendments from 01st April 2025**

**The scheme will be amended to include the legislation that has been brought in to disregard the following as capital in the calculation of their council tax support:**

- **Grenfell tower payments**
- **The horizon compensation payments**
- **Vaccine damage payments**
- **Payments for the victims of the oversees terrorism compensation payments**

In regulation 2(1) (interpretation)—

(a)for the definition of "Grenfell Tower support payment" substitute—

""Grenfell Tower support payment" means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;";
(b)after the definition of "historical child abuse payment" insert—

““the Horizon system” means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;”;
(c)after the definition of “polygamous marriage” insert—

““the Post Office” means Post Office Limited (registered number 02154540);“Post Office compensation payment” means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—
(a)
in connection with the failings of the Horizon system; or

(b)
otherwise payable following the judgment in Bates and Others v Post Office Ltd ((No. 3) “Common Issues”)(1);”;

(d)in the definition of “qualifying person”—

(i)for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”;

(ii)after “the National Emergencies Trust” insert “, the Victims of Overseas Terrorism Compensation Scheme”;

(e)after the definition of “universal credit” insert—

““vaccine damage payment” means a payment made under the Vaccine Damage Payments Act 1979(2);“the Victims of Overseas Terrorism Compensation Scheme” means the scheme of that name established by the Ministry of Justice in 2012 under section 47 of the Crime and Security Act 2010(3);”.

In paragraph (5) of regulation 12 (persons treated as not being in Great Britain), before sub-paragraph (a) insert—

“(zd)a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—

(i)has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971(1),

(ii)has a right of abode in the United Kingdom within the meaning given in section 2 of that Act(2), or

(iii)does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

(ze)a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—

(i)has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,

(ii)has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or

(iii)does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;".

(1) Schedule 1 (pensioners: matters that must be included in an authority's scheme) is amended as follows.

(f)in sub-paragraph (9)—

(i)in paragraph (b) after "the National Emergencies Trust" insert ", the Victims of Overseas Terrorism Compensation Scheme";

(ii)after paragraph (bc) insert—

"(bd)any Post Office compensation payment;

(be)any vaccine damage payment;";

(g)in sub-paragraph (10), after paragraph (ac) insert—

"(ad)any Post Office compensation payment;

(ae)any vaccine damage payment;

(af)any payment out of the estate of a person to that person's son, daughter, step-son or step-daughter, which derives from a payment to meet the recommendation of the Infected Blood Inquiry in its interim report published on 29th July 2022(1) made under or by the Scottish Infected Blood Support Scheme or an approved blood scheme ;".

In Schedule 6 (capital to be disregarded)—

(a)in paragraph 16—

(i)in sub-paragraph (1) after "the National Emergencies Trust" insert ", the Victims of Overseas Terrorism Compensation Scheme";

(ii)after sub-paragraph (1D) insert—

"(1E) Any Post Office compensation payment.

(1F) Any vaccine damage payment.

(1G) Any payment out of the estate of a person, which derives from a payment to meet the recommendation of the Infected Blood Inquiry in its interim report published on 29th July 2022 made under or by the Scottish Infected Blood Support Scheme or an approved blood support scheme to the estate of the person, where the payment is made to the person's son, daughter, step-son or step-daughter.";

(iii)in each of sub-paragraphs (2), (3), (5), (6) and (7) for “or a Windrush payment” substitute “, a Windrush payment, a Post Office compensation payment or a vaccine damage payment”;

(b)in paragraph 21(2)—

(i)in sub-paragraph (w) omit “or”;

(ii)after sub-paragraph (x) insert—

“or
(y)bereavement support payment under section 30 of the Pensions Act 2014(1).”;

(c)after paragraph 22 insert—

“22A.  Any payment of a widowed parent’s allowance made pursuant to section 39A of the SSCBA (widowed parent’s allowance)—

(a)to the survivor of a cohabiting partnership (within the meaning in section 39A(7) of the SSCBA) who is entitled to a widowed parent’s allowance for a period before 9th February 2023(2), and

(b)in respect of any period of time during the period ending with the day before the survivor makes the claim for a widowed parent’s allowance,

but only for a period of 52 weeks beginning with the date of receipt of the payment or 1st April 2024, whichever is later.

22B.—(1) A payment of bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017 (rate of bereavement support payment)(3), but only for the period of 52 weeks from the date of receipt of the payment.

(2) Where bereavement support payment under section 30 of the Pensions Act 2014 is paid to the survivor of a cohabiting partnership (within the meaning of section 30(6B) of that Act) in respect of a death occurring before 9th February 2023, any amount of that payment which is—

(a)in respect of the rate set out in regulation 3(1) of the Bereavement Support Payment Regulations 2017, and

(b)paid as a lump sum for more than one monthly recurrence of the day of the month on which their cohabiting partner died,

but only for a period of 52 weeks beginning with the date of receipt of the payment or 1st April 2024, whichever is later.”.

**Amendments from 01/04/2026**

**We are changing the regulation to simplify when entitlement can start following a death or separation. Reg 107 will be amended as follows:**

original:
(6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
(a) Where the applicant was included as "the partner" of the deceased (or ex-partners) Council Tax Support entitlement at date of death or separation, The Council Tax Liability created following the death of an applicant's partner or their separation falls to be treated as "first liable" within Reg 105 (2) of this scheme.

Amended:
(6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
(a) The Council Tax Liability created following the death of an applicant's partner or their separation falls to be treated as "first liable" within Reg 105 (2) of this scheme.

**Amendments are also being made to reg 110 to allow for more scope for delays in claiming if it is deemed reasonable for them to have taken longer than a month. We will be adding/amending the parts currently coloured red:**

110. Date on which an application is made

(1) Subject to sub-paragraph (7), the date on which an application is made is— (a)in a case where—
(i)an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and
(ii)the application is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office, or such longer period as the relevant authority considers reasonable, the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim,;
(b)in a case where—
(i)an applicant or his partner is a person in receipt of a guarantee credit,
(ii)the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
(iii)the application to the authority is received at the designated office within one month of the date of the change, or such longer period as the relevant authority considers reasonable, the date on which the change takes place;
(c)in a case where—
(i)an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
(ii)the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received, the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim, or such longer period as the relevant authority considers reasonable;
(d)in a case where—
(i)an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

(ii)the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
(iii)the application to the authority is received at the designated office within one month of the date of the change, or such longer period as the relevant authority considers reasonable, the date on which the change takes place;
(e)in a case where—
(i)the applicant is the former partner of a person who was … liable for Council Tax.
(ii)where the applicant makes an application (for the same property) for a reduction under this scheme within one month of the date of the death or the separation, or such longer period as the relevant authority considers reasonable, the date of the death or separation;

<u>Changes with effect from 01 April 2027</u>
The scheme will be updated to no longer take child benefit into account as an income for any working age customers with children. It will be added to the following schedule:
*SCHEDULE 8 Sums disregarded in the calculation of income other than earnings: persons who are not pensioners*

- *Any payment made to the claimant or partner by way of child benefit*

**SUMMARY OF CHANGES FROM 01.04.13**

| Current Council Tax Benefit Scheme (CTB) | Council Tax Support (CTS) |
|---|---|
| **Second Adult Rebate -** Awarded to the customer based on the circumstances of 'second adult'. Can be awarded due to a 'better buy' comparison | No award due for second person. On 'better buy' calculation customer will only be awarded any CTS due. |
| **Reduction of the capital limit** - Upper capital limit of £16,000. Above this limit the person would not qualify for CTB. Lower capital of £6,000. Below this figure amount is ignored. Amounts above £6,000 attract tariff income at £1 for every £250 or part of above the lower capital limit | Upper capital limit of £10,000. Above this limit the person would not qualify for CTB. Lower capital of £6,000. Below this figure amount is ignored. Amounts above £6,000 attract tariff income at £1 for every £250 or part of above the lower capital limit |
| **Removal of earnings disregards –**<br>Permitted work - £97.50<br>Lone parents - £25.00<br>Disabled, carers or special occupations - £20.00<br>Couples - £10<br>Single £5 | <br>Permitted work - £0<br>Lone parents - £0<br>Disabled, carers or special occupations - £0<br>Couples - £0<br>Single £0 |
| **Removal of Child Benefit disregard** – Child Benefit is fully disregarded for the calculation of CTB | Child benefit is fully included for the calculation of CTS |
| **Increase in non-dependant deductions (using current figures)**<br>On pass ported benefit - £0.00<br>On JSA C/ESAC - £3.30<br>Works less than 16 hours on maternity, paternity, adoption or sick leave - £3.30<br>Income more than £394.00 per week – £9.90<br>£316.00 to £393.99 per week – £8.25<br>£238.00 to £315.99 per week - £6.55<br>£183.00 to £237.00 per week - £3.30<br>£124.00 to £182.99 per week – £3.30<br>Under £124.00 – £3.30 | <br>On pass ported benefit - £0.00<br>On JSA C/ESAC - £3.30<br>Works less than 16 hours on maternity, paternity, adoption or sick leave - £3.30<br>Earnings less than £100 - £5.00<br>Earnings between £100 and £150 - £10.00<br>Earnings above £150 - £20.00 |

# APPEALS

There will be no joint HB/CTR appeals – they will be heard separately by different bodies. First Tier Tribunals will hear the Housing Benefit appeals (as now) and the Valuation Tribunals Service will hear Council Tax Support appeals.

The legislation is contained within the Local Government Finance Act. Appeals against the local Council Tax Support Scheme will be covered by Regulation 16(b).

**Process:**

- The customer firstly needs to write to the Council saying they disagree with the decision. There is no time limit to do this. They can request this at any time.
- If we do not alter our original decision the customer has the right to appeal to the Valuation Tribunal.
- To appeal to the Valuation Tribunal the customer will need to do this on line at www.valuationtribunal.gov.uk
- The customer must complete the on line appeal application within two months of the date of the decision notice sent by ourselves upholding the original decision

As local schemes are not legislation, but are locally defined schemes, the Valuation Tribunal will not consider an appeal against a billing authority's actual scheme, as that is beyond their jurisdiction. However, the Valuation Tribunal will advise dissatisfied claimants of their right to apply to the billing authority for a discretionary discount under section 13 (1) (c) of the Local Government Finance Act 1992. They will also hear appeals where the authority refuses to exercise this discretion.

**APPENDIX C**

## Discretionary Discount Policies

### 1. Second Homes

1.1. Second homes are defined as furnished properties which are not occupied as a person's main residence and include furnished properties that are unoccupied between tenancies.

1.2. The Local Government Act 2003 gave councils new discretionary powers to reduce the 50% Council Tax discount previously awarded in respect of second homes to between 10% and 50% with effect from 1st April 2004. Councils retain the additional income raised by reducing the second homes Council Tax discount.

1.3. The Local Government Act 2012 further extended billing authorities' discretion over the second homes discount to between 0% and 50%. On 17 October 2012 Cabinet approved the reduction of the second homes Council Tax discount from 10% to 0%.

1.4. The Levelling Up and Regeneration Act 2023 passed in October 2023 enables billing authorities to introduce a council tax premium of up to 100% in respect of second homes.

1.5. The purpose of the Council Tax charging policy is to encourage owners of second homes to bring these properties back into use in the housing market as main residences, recognising the shortage of housing nationally and locally.

1.6. The Government issued guidance on the implementation of the council tax premiums on long term empty homes and second homes. The guidance suggested the following should be taken into account :

- *numbers and proportion of long-term empty dwellings and/or second homes in the local area*
- *circumstances which may affect whether the dwelling can be used as a main residence*
- *potential impact on local economies and the tourism industry*
- *potential impact on the local community*
- *potential impact on local services*
- *other measures that are available to councils to help bring empty dwellings back into use*

*Councils should consider the reasons why dwellings are unoccupied in deciding whether they want such dwellings to be included in their determination. Examples of issues councils may want to take account of in making their determination include:*

- *on average, how long dwellings in their area are available for sale or rent before completion/occupation*
- *the average price/rent in the local area*
- *whether there are circumstances which make the dwelling unsuitable for use as main residence*
- *whether there are circumstances which make the dwelling difficult to sell/let*

- *whether the dwelling is empty so that improvements can be made between sale/let*

1.7. The Council can consider such matters as part of individual consideration for discretionary discounts under Section 13A(c) of the Local Government Finance Act 1992.

1.8. The Council's Business Intelligence Team has advised that while the Council does hold house price data and could calculate affordability ratios, Shropshire has special circumstances. Shropshire is a large rural county and as transaction numbers are relatively small, the data would be easily skewed by outliers at either ends of the property market.

1.9. Shropshire is one of the most sparsely populated local authorities in the country. Shropshire has a population density of just 1 person per hectare (319,730 hectares), compared to 4.4 persons per hectare nationally (13,027,843 hectares). As a result and having given full consideration to guidance available, policy has been adopted to levy a premium in respect of second homes consistently across the Shropshire Council area.

1.10. On this basis, on 14 December 2023 Council approved the introduction of a council tax premium of 100% in respect of second homes from 1 April 2025 in line with this policy.

1.11. The figures used for the 2027/28 Council Tax taxbase incorporate a 100% Council Tax premium in respect of second homes (other than those that retain a 50% discount through regulation as a result of job-related protection). Continuation of this policy results in the inclusion of 1,197.11 Band D equivalent properties in the taxbase calculation.

## 2. Vacant Properties – Former Class A & Class C Exempt Properties

2.1. The Local Government Act 2012 abolished both Class A and Class C exemptions and gave billing authorities' discretion to give discounts of between 0% and 100%. Class A exemptions were previously available for up to 12 months in respect of a vacant property which required, was undergoing, or had recently undergone major repair work to render it habitable, or a structural alteration. Class C exemptions were previously available for up to six months after a dwelling became vacant.

2.2. On 14 December 2017 Council approved the removal of a 50% Council Tax discount in respect of vacant dwellings undergoing major repair, i.e. former Class A exempt properties.

2.3. In respect of former Class A exempt properties the figures used for the 2027/28 Council Tax taxbase allow for the continuation of the decision previously approved by Council, i.e. to award no discount.

2.4. On 17 October 2012 Cabinet approved the award of a 25% Council Tax discount in respect of vacant dwellings (i.e. former Class C exempt properties).

2.5. Implementation of this policy resulted in a large number of low value Council Tax demands being raised primarily in relation to landlords whose properties are between tenants. A significant number of landlord complaints were received in relation to these Council Tax demands and these small amounts proved to be very difficult to collect. It was, therefore, proposed and approved that a 100% discount be awarded for one month, i.e. effectively reinstating the exemption, and then a 25% discount be awarded for the remaining five months.

2.6. In order to avoid fraudulent 100% claims in respect of these types of properties it was also proposed and approved that the "six week rule" be applied, i.e. if a dwelling which is unoccupied and unfurnished is either exempt or entitled to a discount, becomes occupied or substantially furnished for a period of less than six weeks, after which it falls empty again, it will only resume exemption or discount for any of the original exemption or discount period which remains.

2.7. On 14 December 2017 Council approved the continuation of the policy to award one month exemption when a property becomes unoccupied and substantially unfurnished (subject to the six week rule) and approved a revised policy to remove the 25% for the following five months. This means that when a property becomes unoccupied and substantially unfurnished it would attract one month exemption, then pay full charge for the following twenty three months, then attract an additional 100% council tax premium after two years.

2.8. In respect of former Class C exempt properties the figures used for the 2027/28 Council Tax taxbase incorporate a discount of 100% for one month. Continuation of this policy to award the one month exemption results in the exclusion of 244.11 Band D equivalents from the taxbase calculation.

## 3. Vacant Properties – Empty Homes Premium

3.1. The Local Government Act 2012 amended the Local Government Finance Act 1992 and also gave billing authorities' discretion to levy an empty homes premium of 50% after a dwelling has been empty and substantially unfurnished for at least two years. In December 2013 Shropshire Council chose to enact this discretionary power with effect from April 2014.

3.2. On 1 November 2018 the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 was passed which further amended the Local Government Finance Act 1992. This gave billing authorities' discretion to levy an empty homes premium of 100% from 1 April 2019 after a dwelling has been unoccupied and substantially unfurnished for at least two years, a 200% premium from 1 April 2020 for properties unoccupied and substantially unfurnished for at least 5 years and a 300% premium from 1 April 2021 for properties unoccupied and substantially unfurnished for at least 10 years.

3.3. The Levelling Up and Regeneration Act 2023 passed in October 2023 further enhanced charging options with effect from 1 April 2024. The Act enables billing authorities to reduce the minimum period for the implementation of the council tax premium for long term empty premises from two years to one year.

3.4. The purpose of the Council Tax charging policy is to encourage owners of empty property to bring these properties back into use in the housing market as main residences, recognising the shortage of housing nationally and locally.

3.5. The Government issued guidance on the implementation of the council tax premiums on long term empty homes and second homes. The guidance suggested the following should be taken into account:

- *numbers and proportion of long-term empty dwellings and/or second homes in the local area*
- *circumstances which may affect whether the dwelling can be used as a main residence*
- *potential impact on local economies and the tourism industry*
- *potential impact on the local community*
- *potential impact on local services*
- *other measures that are available to councils to help bring empty dwellings back into use*

*Councils should consider the reasons why dwellings are unoccupied in deciding whether they want such dwellings to be included in their determination. Examples of issues councils may want to take account of in making their determination include:*

- *on average, how long dwellings in their area are available for sale or rent before completion/occupation*
- *the average price/rent in the local area*
- *whether there are circumstances which make the dwelling unsuitable for use as main residence*
- *whether there are circumstances which make the dwelling difficult to sell/let*
- *whether the dwelling is empty so that improvements can be made between sale/let*

3.6. The Council can consider such matters as part of individual consideration for discretionary discounts under Section 13A(c) of the Local Government Finance Act 1992.

3.7. The Council's Business Intelligence Team has advised that while the Council does have house price data and could calculate affordability ratios, Shropshire has special circumstances. Shropshire is a large rural county and as transaction numbers are relatively small, the data would be easily skewed by outliers at either ends of the property market.

3.8. Shropshire is one of the most sparsely populated local authorities in the country. Shropshire has a population density of just 1 person per hectare (319,730 hectares), compared to 4.4 persons per hectare nationally (13,027,843 hectares).

3.9. As a result and having given full consideration to guidance available, the policy has been adopted to levy a premium in respect of long-term empty properties consistently across the Shropshire Council area.

3.10. The figures used for the 2027/28 Council Tax taxbase incorporate a 100% Council Tax premium in respect of dwellings which have been unoccupied and substantially unfurnished for more than one year, a 200% Council Tax premium in respect of

dwellings which have been unoccupied and substantially unfurnished for more than five years and a 300% Council Tax premium in respect of dwellings which have been unoccupied and substantially unfurnished for more than ten years. Implementation of this policy results in the inclusion of 945.45 Band D equivalent properties in the taxbase calculation in relation to properties unoccupied and substantially unfurnished for more than one year, 246.00 Band D equivalents in the taxbase calculation in relation to properties unoccupied and substantially unfurnished for more than five years and 181.66 Band D equivalents in the taxbase calculation in relation to properties unoccupied and substantially unfurnished for more than ten years.