

Report to Cabinet

15 November 2023

Subject:	Council Tax Base 2024/2025
Cabinet Member:	Councillor Bob Piper - Cabinet Member for Finance and Resources
Director:	Brendan Arnold – Director of Finance Section 151 officer
Key Decision:	Yes
Contact Officer:	Ian Dunn ian_dunn@sandwell.gov.uk Carl Jones Carl_jones@sandwell.gov.uk

1 Recommendations


- 1.1 That the Council be recommended to approve setting the Council Tax Base for 2024/2025 at 78,217.27.
- 1.2 Authorise the Section 151 Officer to adjust the Council Tax Base as required following approval of the 2024-2025 Council Tax Reduction Scheme by Council on 12 December 2023.

2 Reasons for Recommendations

- 2.1 The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. It is used to determine the annual amount of collectable Council Tax.
- 2.2 The regulations set out the methodology to be used by authorities when calculating their Council Tax Base. They further dictate that the Council Tax Base should be set between 01 December and 31 January prior to the financial year to which it refers.



3 How does this deliver objectives of the Corporate Plan?

	A strong and inclusive economy	Collection of Council Tax is important as it gives the council money to spend and invest locally
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4 Context and Key Issues

- 4.1 The Council Tax Base is an assessment by each billing authority of the number of chargeable dwellings, converted to Band D equivalents (the average band), allowing for discounts, exemptions, non-collection and new properties. This information is used when setting the Council's budget.
- 4.2 In order to calculate the Council Tax Base, it is necessary to take the actual number of properties in each Council Tax band on the valuation list and then make adjustments to the Local Council Tax Reduction Scheme. In addition, assumptions need to be made for changes in the number of properties in each band between now and 31 March 2025 as a result of new builds and demolitions.
- 4.3 The adjusted numbers in each band are then converted to the equivalent number of Band D properties.
- 4.4 At the time of presenting this report, Sandwell's Local Council Tax Reduction Scheme has yet to be formally approved. Details of the Local Council Tax Reduction Scheme are contained within the Local Council Tax Reduction Scheme report to Cabinet on 15 November 2023. It is not anticipated that any changes will be made to the scheme which may adjust the assumptions made in the Council Tax Base collection. The Council Tax Base for 2024/25 has been calculated as 78,217.27.
- 4.5 The Council Tax Base must be reduced to reflect any anticipated losses on collection. In recent years this has meant a reduction of 1% as experience has shown that a 99% collection rate is ultimately achievable.



4.6 Due to the current cost of living crisis we are assuming that a 98.5% collection will ultimately be achieved. This reduces the Council Tax Base as follows:

<u>Collection Rate %</u>	<u>Tax Base</u>
98.5	78,217.27

4.7 The actual levels of Council Tax for 2024/2025 will be dependent upon final decisions yet to be taken on both Sandwell budgets and those of the precepting bodies, together with consideration of any surplus or deficit on the Collection Fund.

4.8 For 2023/24 the Council Tax Base was 76,764.73 based on a 98.5% collection rate. The Council Tax Base for 2024/25 has increased by nearly 1.9% and this is mainly due to the additional number of properties.

5 Alternative Options

5.1 Not applicable

6 Implications

Resources:	The calculation of Council Tax Base is based on the number of domestic properties in the valuation list in Sandwell. Statistical information indicates that the number of domestic properties in Sandwell is now starting to increase again after the pandemic.
Legal and Governance:	The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and be determined between 01 December and 31 January of the financial year preceding the financial year to which it will apply.
Risk:	If Council Tax is not collected the Council's income could be affected and services provided by the Council may need to be cut.
Equality:	No impact



Health and Wellbeing:	No impact
Social Value:	No impact
Climate Change:	No impact
Corporate Parenting:	No impact

7. Appendices

None

8. Background Papers

None

