

Council tax base for tax setting purposes 2024 to 2025

Report number:	CAB/WS/23/058	
Report to and dates:	Cabinet	5 December 2023
	Council	19 December 2023
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Decisions Plan: The decision made as a result of this report will usually be published within 48 hours. This item will be referred to Council for a final decision and is, therefore, not subject to call-in. This item is included on the Decisions Plan.

Wards impacted: All wards

Recommendation: It is recommended that, subject to the approval of Council:

1. The tax base for 2024 to 2025, for the whole of West Suffolk is 58,684.97 equivalent band D dwellings, as detailed in paragraph 2.3 of Report number: CAB/WS/23/058.
2. The tax base for 2024 to 2025 for the different parts of its area, as defined by parish or special expense area boundaries, are as shown in Appendix 3.

1. Context to this report

- 1.1 The council tax base is the total taxable value at a point in time of all the domestic properties in the council's area. It is a yearly calculation and represents the estimated number of chargeable dwellings after allowing for exemptions and discounts, projected changes in the property base and after applying an estimated collection rate.
- 1.2 The total taxable value referred to above is arrived at by each dwelling being placed in one of eight valuation bands (A – H) by the Valuation Office, with a statutorily set fraction then being applied in order to convert it to a 'band D equivalent' figure. These band D equivalent numbers are then aggregated at a district wide level and are also sub totalled for parishes. This calculation has to be done by the council responsible for sending the bills out and collecting the council tax ('the billing authority'). In two tier areas, district councils fulfil this function.
- 1.3 The council tax base is used in the calculation of council tax. Each authority divides the total council tax income it needs to meet its budget requirement by the tax base of its area to arrive at its band D council tax. The same fractions referred to in the previous paragraph are then used to work out the council tax for properties in each of the other bands.
- 1.4 The calculation of the tax base for council tax setting purposes consists of three stages:
1. Calculation of the tax base for central government purposes as at 2 October 2023 (DLUHC return – CTB).
 2. Calculation of the tax base for council tax setting purposes by adjusting the band D equivalents to reflect changes in the tax base as a result of Local Council Tax Support scheme changes (considered elsewhere on this agenda CAB/WS/23/057), projected changes in the property base and predicted collection rates.
 3. Analysis of band D equivalents over each of the parish areas in order to determine individual parish council tax bases.

2. Proposals within this report

Calculation of the tax base for central government purposes

- 2.1 The tax base return 'CTB' is used by central government for data collection, grant allocations and policy development (see Appendix 1). This return shows the analysis of properties across the eight valuation bands for the following classifications of liability:

- properties attracting 100 per cent liability
- properties attracting a premium, such as second homes
- properties with an entitlement to a discount of 25, 50 or 100 per cent, such as disabled relief
- properties that are exempt, such as those occupied by United States air force personnel
- local council tax reduction scheme discounts.
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2.2 The figures used to make the above calculations are derived from the Valuation List as deposited on 11 September 2023, and as amended to reflect any errors or omissions so far detected in reviewing that list. They are based on the data held on the council tax system at a set point in time – 2 October 2023.

2.3 The taxbase for this purpose, which is calculated at a West Suffolk level, is 59,651.1.

Calculation of the tax base for tax setting purposes

2.4 The band D properties figure as at 2 October 2023 of 59,651.1, as quoted in line 33 of the CTB form at Appendix 1, has been updated as at 31 October 2023 to allow for:

1. Any changes to the Local Council Tax Support (LCTS) scheme. Proposals to increase the discount for Council Tax given to people on low incomes, which is being considered elsewhere on this agenda (CAB/WS/23/057), have been incorporated into the calculation of the tax base.
2. Any technical changes to discounts and exemptions such as empty properties and second homes. There are no plans to change the current scheme for 2024 to 2025.
3. Potential growth in the property base during 2024 to 2025 taken from an average of the housing delivery numbers for those sites within the local plan and those that have planning permission, adjusted for an assumed level of discounts/exemptions.
4. An allowance for losses in collection, which assumes that the overall collection rate for 2024 to 2025 will be 98.5 per cent.

2.5 The resulting tax base figure for council tax collection purposes, expressed in terms of the number of band D equivalent properties, is **58,684.97** for 2024 to 2025. This is an increase of 697.96 on the tax base for the current year of 57,987.01.

2.6 The table at Appendix 2 shows the actual number of dwellings in each tax band based on the current valuations which are discounted to 1 April 1991 and the percentage in each band. There has been no national revaluation

since that date. It also shows the spread of the tax base across the bands totalling the tax base for central government purposes (CTB) and the tax base for council tax setting purposes after all of the adjustments have been made.

Individual town and parish council tax bases and precept payment arrangements

- 2.7 The tax base figure for West Suffolk outlined in paragraph 2.6, is analysed further across individual town and parish councils to form their tax base figures for the purpose of budget setting and determining the parish band D tax levels in each of those areas. Town and parish tax base figures are set out in Appendix 3.
- 2.8 In line with the delegated authority to administer the Council's financial affairs as outlined in the constitution, the arrangements for the scheduling of the precept payments for 2024 to 2025, will be determined by the Director (Resources and Property) (Chief Financial Officer).
- 2.9 The payments schedule for all parish and town councils in West Suffolk will be full payment of the precepts by 30 April 2024.

3. Alternative options that have been considered

- 3.1 The Local Authorities (Calculation of Council Tax Base) Regulations 1992 set out the requirements for the calculation of the council tax base for tax setting purposes. Therefore, there are no alternative options.

4. Consultation and engagement undertaken

- 4.1 The tax base figures provided within Appendix 3 of this report have been communicated to town and parish councils so that they can start to factor these into their budget setting process.

5. Risks associated with the proposals

- 5.1 The Council's ability to collect council tax income in the current economic climate has been factored into the tax base by applying an appropriate collection rate in the calculation as detailed in paragraph 2.4.

6. Implications arising from the proposals

- 6.1 All implications arising from the proposals are covered within the report and its associated appendices.

7. Appendices referenced in this report

- 7.1 Appendix 1 – West Suffolk CTB return made to DLUHC as at 2 October 2023
- 7.2 Appendix 2 – Distribution of West Suffolk properties and tax base across valuation bands
- 7.3 Appendix 3 – 2024 to 2025 council tax base for each town and parish council area within West Suffolk

8. Background documents associated with this report

- 8.1 None