

Meeting: EXECUTIVE



Portfolio Area: Resources and Transformation

Date: 13 December 2023

COUNCIL TAX BASE 2024/25

KEY DECISION

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1. PURPOSE

- 1.1 To seek members approval of the Council Tax Base for 2024/25

2. RECOMMENDATIONS

- 2.1 In accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2024/25 will be 29,088.5 equivalent “Band D” properties, reduced to 28,579.4 equivalent “Band D” properties after making allowances for a 98.25% collection rate.
- 2.2 The 2024/25 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2024/25. Members approved the CTS scheme at the Executive meeting on 20 September 2023 for recommendation to Council.

3. BACKGROUND

- 3.1 Under the provisions of the Local Government Finance Act 1992 as amended by legislation, local authorities are required to notify preceptors and levying bodies of their Council Tax Base for the forthcoming financial year. The notification must be made between the 1 December and the 31 January.
- 3.2 The Council has a statutory duty to make a resolution in respect of the Council Tax Base before the precepting and levying bodies are notified.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Taxbase

4.1.1 The actual number of domestic dwellings in the Borough, shown in the Valuation Officers list on 11 September 2023 was 38,213, compared to 38,051 as at 12 September 2022, an increase of 162 properties.

4.1.2 For each of the Council Tax bands, the tax base figure is the sum of actual dwellings on the valuation list, adjusted for estimated, newly constructed dwellings, exemptions, disabled reductions and discounts, (including the Council Tax Reduction Scheme discounts), to arrive at the net number of chargeable dwellings for each band. The projections for 2024/25 include known construction numbers, giving a total of 270 (pro rata) new homes for 2024/25 with the majority being band B and C properties.

4.1.3 This net figure is then multiplied by the relevant proportions for the particular band, (e.g. Band A is 6/9 in relation to Band D) in order to convert it to the estimated number of equivalent "Band D" properties for each band.

4.1.4 The relevant proportion for each band are:

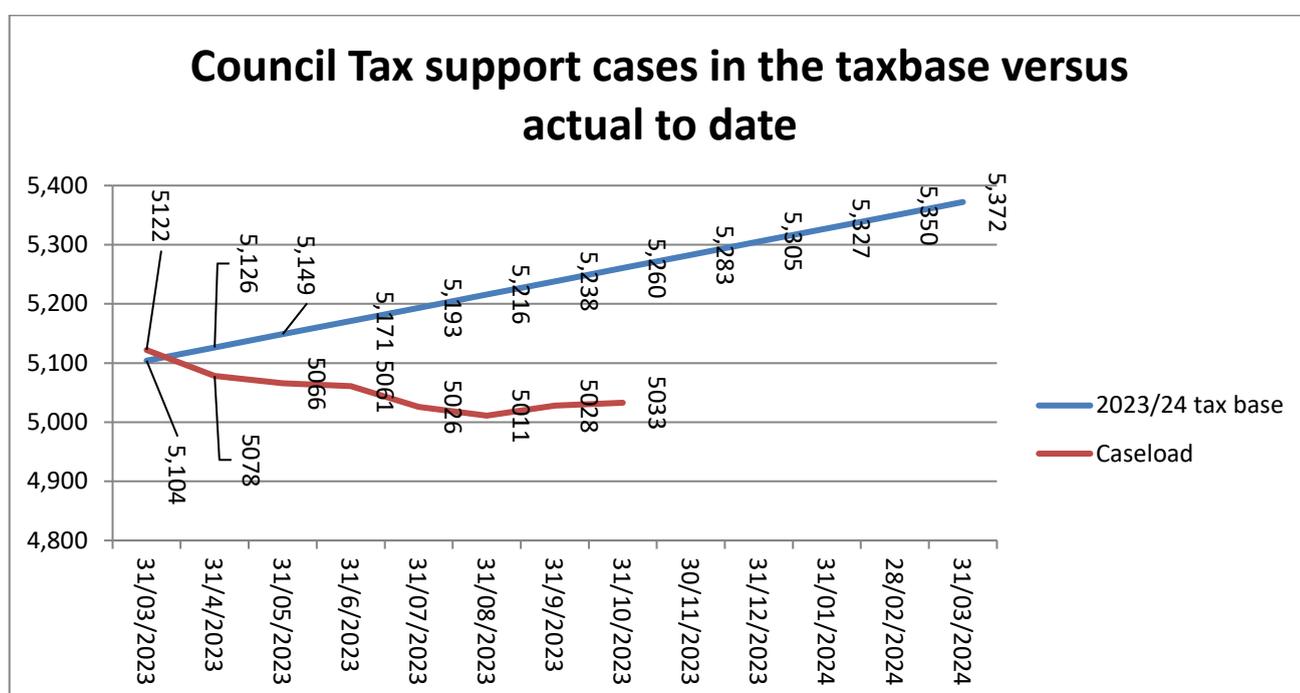
Band	Charge ratio	Valuation (at 1/1/91 prices)
A	6/9	Up to £40,000
B	7/9	Over £40,000 and up to £52,000
C	8/9	Over £52,000 and up to £68,000
D	9/9	Over £68,000 and up to £88,000
E	11/9	Over £88,000 and up to £120,000
F	13/9	Over £120,000 and up to £160,000
G	15/9	Over £160,000 and up to £320,000
H	18/9	Over £320,000

4.1.5 These "Band D" equivalents are aggregated to give the total number of the equivalent "Band D" dwellings for the authority as a whole. For Stevenage this is 29,088.5, which is less than the actual number of dwellings because the majority of dwellings in Stevenage are in Band C.

4.1.6 Stevenage Borough Council is the billing authority for all council tax in the Borough but does not keep the majority of council tax raised. The 2022/23 and 2023/24 amounts and percentage shares for the County Council, the Police and Crime Commissioner and Stevenage Council are shown in the chart below (based on Band D).

Authority	2022/23	2023/24	Charge Per day	Increase	Share
Hertfordshire County Council	£1,529.31	£1,605.63	£4.40	4.99%	77.35%
Stevenage Borough Council	£225.57	£232.31	£0.64	2.99%	11.19%
Police Crime Commissioner	£223.00	£238.00	£0.65	6.73%	11.46%
Total	£1,977.88	£2,075.94	£5.69	4.96%	100%

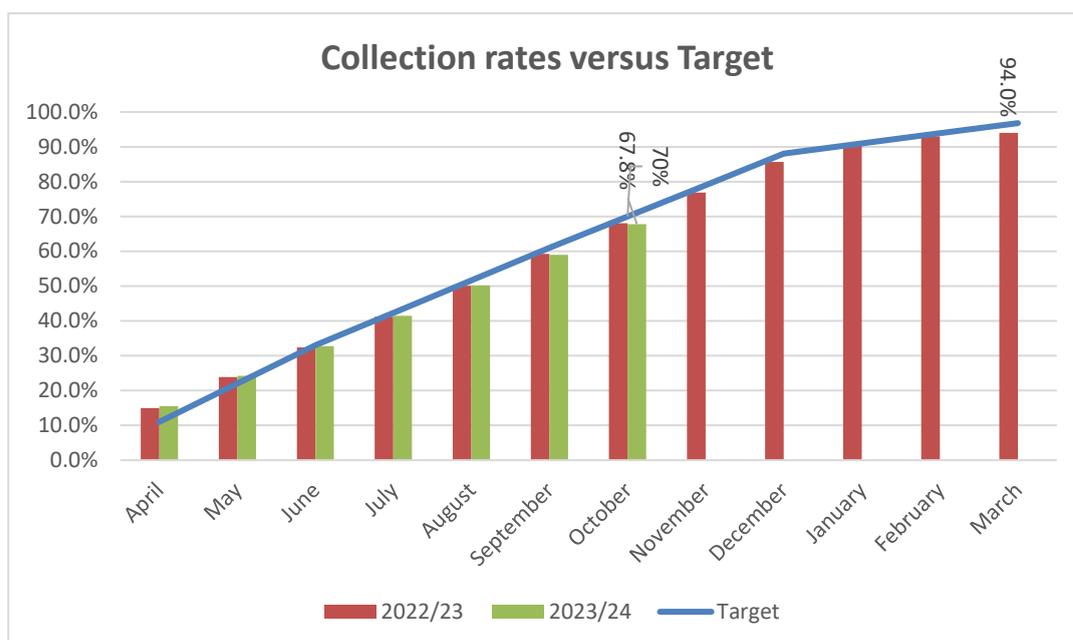
4.1.7 The 2024/25 council tax base proposed is based on the current Council Tax Support Scheme liability of 8.5% and as agreed at the September 2023 Executive. The 2023/24 taxbase had assumed a projected increase in council tax support (CTS) numbers as a result of changes in the local economy (5%). The chart below shows the 2023/24 tax base assumed CTS claimants versus the actual to date. This shows that the increase projected has not materialized and the claimants has continued to reduce.



4.1.8 The cost of CTS in the taxbase for those working and pensionable age is estimated to cost £6,197,146 for 2024/25, (2023/24 £6,350,490), however the County Council has the biggest cost burden for this, as they account for 77.35% (2023/24) of the tax base with SBC at 11.19%. The average level of CTS in the 2024/25 taxbase is modelled as 5,001 (1 April 2024 4,949 increasing to 5,053 by 31 March 2025 based on a 2% increase), versus 5,033 for working and pensionable age claimants as at the 1 October 2023.

4.1.9 The proposed 2024/25 collection rate percentage remains unchanged at 98.25% as in 2023/24, reflecting sustainable long term recovery rates. The amount collected to 31 October was 67.8% (2022/23 68.1%, target 70.0%). Although the current in year collection rate is slightly lower than the target, a 1.2% under-recovery of council tax would equate to £689,058 for a full year, (SBC's share would be £77,111). There are other factors which influence the level of cash

collected, such as the actual level of properties in the taxbase and the level of discounts or CTS numbers.



4.1.10 The Council Tax Base for 2024/25 after making allowances for a collection rate of 98.25% is 28,579.4 equivalent “Band D” properties. (The comparative figure for 2023/24 was 28,153.1).

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 The increase in the taxbase (1.51% compared to 2023/24) is included in the General Fund assumptions in the Executive report and will be included in the Draft 2024/25 Council Tax Setting and General Fund Report to the January 2024 Executive. The November 2023 Executive Balancing the budget report had assumed a 1.21% increase in the net tax base.

5.1.2 The increase in assumed property numbers and the discount assumptions including Council Tax Support is the equivalent to a total additional 426.36 equivalent Band D properties or £ 99,048 before any council tax increase is considered for 2024/25. The reason for the increased council tax income is shown in the table below.

Increased income from 2024/25 taxbase compared to 2023/24 before any council tax increase			
	2023/24 Estimate £	2024/25 Estimate £	Increase /(decrease) £
Properties numbers	8,063,777	8,102,016	38,239
Council Tax Support Scheme	(735,430)	(693,497)	41,932
Changes to other discounts & Premium	(671,614)	(650,973)	20,641
Increase in bad debt 1.75%	(116,493)	(118,257)	(1,764)
Total	£ 6,540,241	£ 6,639,289	£ 99,048

5.2 Legal Implications

5.2.1 The legal implications are in the body of the report.

5.3 Risk Implications

5.3.1 The assumptions made are reasonable at the current time but, if the level of anticipated growth in the 2024/25 Tax Base is not realised and/or the council tax support caseload increases, there could be an in year deficit on the Collection Fund which would have to be repaid in the following financial years.

5.4 Policy Implications

5.4.1 None

5.5 Equalities and Diversity Implications

5.5.1 There are no direct equality and diversity implications arising from the recommendations in this report.

5.6 Other Implications.

5.6.1 There are no other direct implications to report at this time.

6. BACKGROUND DOCUMENTS

BD1 – Council Tax Support Scheme

7. APPENDICES

Appendix A 2024/25 Council Tax Base

