



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Council Tax Base for Borough and Parish Councils 2024-25	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Cabinet 22 January 2024	



Is this an Executive Decision:	YES	Is this a Key Decision:	NO
Is this in the Forward Plan:	YES	Is the Report Confidential: If so, please state relevant paragraph from Schedule 12A LGA 1972:	NO

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **John Teasdale**

Date Signature

Chief Finance Officer:

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: January 2024

**REPORT TITLE: Council Tax Base for Borough and Parish Councils
2024-25**

PORTFOLIO: Finance and Treasury Management

HEAD OF SERVICE: Stephen Fitzgerald

CONTACT OFFICER: James Hopwood Ext. No. 1139

WARD(S) AFFECTED: All

1. Purpose of the Report

- 1.1. To approve the amount of the Council Tax Base for East Staffordshire Borough Council and the individual parishes within the borough for the financial year 2024-25, including the allocation of Local Council Tax Support Grant to Parish Council's.

2. Executive Summary

- 2.1. The Council Tax Base is the preliminary stage in setting the Council Tax for the new financial year from 1st April 2024 to 31st March 2025.

3. Background

- 3.1. In accordance with the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012, the Authority is required to calculate its tax base for each financial year and notify Staffordshire County Council, Staffordshire Police and County Crime Commissioner and the Staffordshire Commissioner for Fire and Rescue of the figure by 31st January 2024.
- 3.2. Without calculating these figures the level of Council Tax for 2024-25 cannot be set.

4. Contribution to Corporate Priorities

- 4.1. Council Tax collection is a primary source of revenue to the Council and therefore underpins all priorities.

5. Tax Base calculations

- 5.1. In accordance with legislation the tax base is calculated by applying the formula $A \times B$ where:
- 5.1.1. **A** is the total of the relevant amounts for that year for each of the valuation bands and;
- 5.1.2. **B** is the Authority's estimate of its collection rate for that year.
- 5.1.3. Calculations are attached in Appendices 1 and 2.
- 5.2. The Authority is also required to calculate the tax base for each individual body within the Borough entitled to issue a precept on only part of the area, i.e. Parish Councils. These calculations have been completed in accordance with guidelines and the Clerks to the Parish Councils are being notified of the figures to assist them in calculating precepts. A schedule is attached at Appendix 2.
- 5.3. Further schedules are attached at Appendix 3 explaining how the calculations have been arrived at for each parish (excludes a detailed breakdown of discounts).
- 5.4. As per the Welfare Reform Act 2012, the Local Council Tax Reduction scheme is included in the Council Tax Base calculations.
- 5.5. Following the localisation of council tax support in 2013/14, the government provided funding to local authorities in order to mitigate the impact of a reduced tax base on both the billing authority and local preceptors (Parish Councils). In 2020-21 the council agreed to pass onto the Parish Councils their share of this grant (£59k).
- 5.6. In 2014/15, the grant was added into the Council's main formula grant settlement and has been apportioned to each Parish on the same basis each year, which benefits from simplicity and consistency. It is proposed that the grant of £59,336 is maintained and apportioned on the same basis as previously and appendix 4 sets out the amounts to be awarded to each Parish Council.
- Using these calculations the tax base for the year 2024-25 will be 40,935.0 (98.0%). This is an increase of 2.2% on the previous year, which mainly relates to additional housing growth during the previous twelve months than forecast and further growth anticipated during the forthcoming year.

6. **Financial Considerations**

This section has been approved by the following member of the Financial Management Unit: James Hopwood, Chief Accountant.

6.1. The main financial issues arising from this report are as follows:

6.1.1 The tax base has a direct effect on the level of Council Tax levied for 2024-25 and will also have an impact on the council tax setting for both Parish Councils and major preceptors. For example, a lower tax base means that less council tax income will be generated even if the rate of council tax chargeable to residents remains the same and vice versa.

6.1.2 The proposed tax base is slightly higher than the figure that has been anticipated within the 2023-24 Medium Term Financial Strategy (MTFS). The 2023-24 MTFS anticipated a Band D Tax Base of 40,881 in 2024-25. As noted, the actual proposed Tax Base is 40,935.

7. **Risk Assessment and Management**

7.1. The main risks to this Report and the Council achieving its objectives are as follows:

7.2. **Positive** (Opportunities/Benefits):

7.2.1. The tax base calculations are broadly in line with estimates made within the Medium Term Financial Strategy.

7.3. **Negative** (Threats):

7.3.1. Failure to calculate the Council Tax Base would lead to an inability to raise revenue by means of Council Tax.

7.3.2. Higher demand associated with the Council Tax Support Scheme or increased discounts/exemptions than assumed in the calculation could result in a deficit on the Council Tax Account which would need to be met in future years.

7.4. The risks are either already incorporated into the Corporate/ Strategic risk register or do not specifically need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

8. **Legal Considerations**

This section has been approved by the following member of the Legal Team: John Teasdale, Head of Legal and Regulatory Services

8.1. The main legal issues arising from this Report are as follows:

8.1.1 The Council is required to fulfil its statutory role to set the council tax base for 2024/25. The Local Government Finance Act (LGFA) 1992, as amended by the Local Government Finance Act 2003 & the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, require the Council to formally calculate the Council Tax Base for 2024/25 and pass this information to precepting authorities by 31 January 2024.

9. **Equalities and Health**

9.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

9.2 **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

10. **Human Rights**

10.1. There are no Human Rights issues arising from this Report.

11. **Sustainability** (including climate change and change adaptation measures)

11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

12. **Recommendation(s)**

12.1. That the amount calculated by East Staffordshire Borough Council as its Council Tax Base for the year 2024-25 shall be 40,935.0.

12.2. That Members approve the allocation of the council tax support grant to local preceptors of £59,336 and that this be apportioned in line with appendix 4.

13. **Background Papers**

13.1. Information reports relating to the properties on the Council Tax database has been extracted from the software application and are available for viewing.

14. **Appendices**

14.1. Appendix 1: The Billing Authority Tax Base 2024-25.

14.2. Appendix 2: The Council Tax Bases for the individual parishes within the Borough.

14.3. Appendix 3: Further calculations showing how appendix 2 has been arrived at.

14.4. Appendix 4: Allocation of Council Tax Support Grant to Parish Councils.