FINANCE AND GOVERNANCE PORTFOLIO HOLDER

11 DECEMBER 2023

REPORT OF ASSISTANT DIRECTOR FINANCE AND IT

A.1 COUNCIL TAX BASE 2024/25

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To seek the Corporate Finance and Governance Portfolio Holder's approval of the Council Tax Base for 2024/25.

EXECUTIVE SUMMARY
• The Council Tax base which the Council adopts will be the basis upon which this Council, Essex County Council, Police & Crime Commissioner for Essex and Essex Fire & Rescue will assess the rate of tax needed (in each case) to finance its estimated revenue expenditure. In order to provide a basis for Council Tax levies to cover parish precepts and special expenses, the Council must also analyse the tax base by parishes. • The basis and proposals for the tax base calculation remains the same as last year and reflects the Council's decisions on 28 November 2023 regarding Council Tax discounts/premiums and the Local Council Tax Support (LCTS) scheme. • The tax base calculation has been based on the September/October valuation list and Council Tax register, together with an allowance for subsequent changes (including non-collection), this has been assessed at 2.8% (a decrease of 0.2% when compared to the previous year). • The calculation shows that the 2024/25 tax base for tax setting purposes will be 51,866.0 Band 'D' equivalent properties which is an increase of 816.0 (1.6%) over 2023/24.

RECOMMENDATION(S)
(a) That pursuant to this report, and in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated by the Council as its Council Tax Base for the year 2024/25 shall be 51,866.0. **(b) That in accordance with the said Act and Regulations, the amount calculated by the Council as the Council Tax Base for each parish and for the unparished area in the year 2024/25 shall be as set out in Appendix 1.**

REASON(S) FOR THE RECOMMENDATION(S)
To confirm the 2024/25 council tax base for including in the detailed estimates for 2024/25 and for notifying to the Major Preceptors and Parish Council's

ALTERNATIVE OPTIONS CONSIDERED
None.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
Setting the Council Tax is an integral part of the budget setting process. The budgets are prepared with the aim of directly and indirectly delivering the Council's priorities.
OUTCOME OF CONSULTATION AND ENGAGEMENT
None.

LEGAL REQUIREMENTS (including legislation & constitutional powers)			
Is the recommendation a Key Decision (see the criteria stated here)	**Yes**	**If Yes, indicate which by which criteria it is a Key Decision**	☐ **Significant effect on two or more wards** X **Involves £100,000 expenditure/income** ☐ **Is otherwise significant for the service budget**
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days.

The arrangements for the setting and collection of council tax are defined in the Local Government Finance Act 1992.

The Calculation of Council Tax Base Regulations 2012 set out arrangements for calculation of the council tax base following implementation of the Local Council Tax Support Scheme.

Yes	**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

There are no additional comments over and above those set out elsewhere in this report.

It is important to highlight that the formal resolutions necessary to implement the Executive's budget proposals and council tax levy will be presented to Full Council in February.

FINANCE AND OTHER RESOURCE IMPLICATIONS
The Tax Base for 2024/25 reflects procedures and assumptions used in earlier years. The calculation has been based on the September/October valuation list and Council Tax register, with an allowance for subsequent changes (including non-collection) of 2.8% together with the decisions made by Council on 28 November 2023 in respect of the Local Council Tax Support Scheme and Discretionary Council Tax Exemptions, Discounts and Premiums for 2024/25.

The tax base for 2024/25 has increased by 816, which provides additional income to support the Council's financial forecast. This position has been supported by the work of the Council's Fraud and Compliance Team who undertake a number of associated key actions and activities in respect of the council tax property base.	
Yes	**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**
The S151 is the co-author of this report.	

USE OF RESOURCES AND VALUE FOR MONEY	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This is addressed in separate reports that are presented as part of the wider financial forecast and budget setting annual 'cycle'.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY
The tax base is required to be agreed as soon as possible after the statutory date of 1 December each year to inform the detailed budget setting process, the final step being a number of resolutions being agreed by Full Council in February each year as part of agreeing the council tax levy and following year's budget.
ASSOCIATED RISKS AND MITIGATION
The risk associated with this decision is that Council Tax collection will fall short of the budgeted level. This is addressed via an allowance for non-collection which in 2024/25 is forecast at 2.8%, a decrease of 0.2% when compared to the previous year. Any shortfall (or surplus) will be shared between the main precepting authorities (this Council, Essex County Council, Police & Crime Commissioner for Essex and Essex Fire & Rescue) and taken into account in setting future years budgets.
EQUALITY IMPLICATIONS
There are no direct implications.
SOCIAL VALUE CONSIDERATIONS
There are no direct implications.
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030
There are no direct implications.
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder	There are no direct implications.
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION
Full details of the tax base calculations are shown in the attached Appendix. The basic calculation in respect of the 2024/25 tax base takes as its starting point the list of properties supplied by the Valuation Office on 11 September 2023 and the categories of occupation as shown on the Council Tax register as at 2 October 2023 (this information is also supplied to central government). The discounts agreed by Council are applied to all affected properties and the effect of the LCTS scheme is applied to the tax base. Judgement is then made to take account of an estimate of subsequent changes in respect of occupation, number of properties and collection performance. This results in an estimate of the true potential of the tax base on which precepting authorities, including Tendring, can make their calculations in respect of Council Tax levies for 2024/25. A 2.8% reduction in the tax base is being proposed to allow for these factors, a decrease of 0.2% when compared to the previous year. The calculation set out in the attached appendix shows that the tax base for tax setting purposes is 51,866.0 for 2024/25. The Council has determined the Local Council Tax Support scheme and the discounts to apply for 2024/25 and in accordance with delegated powers the Corporate Finance and Governance Portfolio Holder has authority to approve the Council's Tax base using those discounts.

PREVIOUS RELEVANT DECISIONS
The Local Council Tax Support Scheme, Discretionary Council Tax Exemptions / Discounts / Premiums for 2024/25 and Annual Minimum Revenue Provision Policy Statement 2024/25 – Item A.3 Full Council 28 November 2023
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None.

APPENDICES
Appendix 1 Council Tax Base for each parish and unparished area 2024/25. **Appendix 2** Calculation of Council Tax Base 2024/25.

REPORT CONTACT OFFICER(S)	
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Appendix 1

COUNCIL TAX BASE FOR EACH PARISH AND UNPARISHED AREA 2024/25

Parish	Unscaled Tax Base	Tax Base for Tax Setting
Alresford	1,039.0	1,009.9
Ardleigh	1,189.4	1,156.1
Beaumont-cum-Moze	135.9	132.1
Great Bentley	1,087.1	1,056.7
Little Bentley	120.2	116.8
Bradfield	507.5	493.3
Brightlingsea	3,131.4	3,043.7
Great Bromley	452.3	439.6
Little Bromley	108.8	105.8
Little Clacton	1,101.1	1,070.3
Elmstead	937.0	910.8
Frating	285.2	277.2
Frinton and Walton	8,717.6	8,473.5
Harwich	5,788.7	5,626.6
Lawford	1,825.2	1,774.1
Manningtree	348.5	338.7
Mistley	1,280.5	1,244.6
Great Oakley	406.1	394.7
Little Oakley	396.7	385.6
Ramsey and Parkeston	788.2	766.1
St Osyth	2,045.0	1,987.7
Tendring	323.5	314.4
Thorpe-le-Soken	939.3	913.0
Thorrington	579.0	562.8
Weeley	911.6	886.1
Wix	353.4	343.5
Wrabness	216.4	210.3
	35,014.6	34,034.0
Clacton (unparished area)	18,345.5	17,832.0
	53,360.1	51,866.0

Appendix 2

CALCULATION OF COUNCIL TAX BASE 2024/25

1. The Council Tax base which the Council adopts will be the basis upon which this Council, Essex County Council, Essex Fire & Rescue and Police & Crime Commissioner for Essex will assess the rate of tax needed (in each case) to finance its estimated net revenue expenditure. The tax bases for County, Fire and Police will be the sum of those of all appropriate District Councils.

2. Each domestic property in the district has been valued by the Valuation Office and allocated to one of eight valuation bands. The Council Tax levied against each band is weighted according to a proportionate variation from Band D as set out below. The process outlined in the report, and described in more detail in this Appendix enables the Council to set a tax base in terms of a Band D dwelling, and subsequently to levy the Council Tax on each dwelling. Properties entitled to disabled relief are charged at one band lower than would normally apply based on value.

Property Valuation / Band	**Band**	**Fraction**
Band A Entitled to Disabled Relief	@	5/9
Up to £40,000	A	6/9
Over £40,000 to £52,000	B	7/9
Over £52,000 to £68,000	C	8/9
Over £68,000 to £88,000	D	9/9
Over £88,000 to £120,000	E	11/9
Over £120,000 to £160,000	F	13/9
Over £160,000 to £320,000	G	15/9
Over £320,000	H	18/9

3. The tax base for tax setting purposes is assessed from an unscaled tax base which excludes any allowance for collection performance or changes during the year in numbers, banding and occupation of dwellings. In response to requirements of the Local Government Finance Acts 1988 (section 139A) and 1992 (section 68), the unscaled tax base has been supplied to central government, calculated directly from the list of bandings which the Valuation Office supplied on 11 September 2023. In order to arrive at the Band D equivalent value of each dwelling this is combined with categories of occupation from the Council Tax register (in order to apply appropriate discounts and exemptions). Information extracted from the Council Tax register must reflect the position as it was known on 2 October 2023.

4. Households in which there is only one adult who is neither a student nor exempt for any other reason attract a discount of 25%. Dwellings occupied only by exempt persons and certain unoccupied dwellings attract two discounts (a total of 50%). Dwellings of which all occupiers are students, and some other unoccupied dwellings do not attract Council Tax. The Council determined that no discount be given on second homes or empty properties and that premiums would be applied to long term empty properties. The tax base has been calculated on this basis.

5. The localisation of council tax support has resulted in Council Tax Benefit being treated as a discount within the council tax system and therefore this reduces the tax base. This reduction has been calculated in accordance with the Local Council Tax Support scheme determined by Council.

Table A below shows the numbers of dwellings in each band and category of occupation from which the unscaled tax base was calculated.

The total number of dwellings in the valuation list is 74,504 (The corresponding total for October 2022 was 73,607). The effect of the LCTS scheme has been shown separately.

TABLE A - Number of Dwellings

Band	Paying 100%	Paying 75%	Paying 50%	2nd Homes / Empty 100%	Empty Home Premium	Exempt 0%	Total Exc. LCTS	LCTS Scheme	Total
@	12	5	0	0	0	0	17	(4)	13
A	4,584	7,510	24	909	83	603	13,713	(3,067)	10,646
B	9,647	7,325	35	593	65	320	17,985	(2,354)	15,631
C	13,342	7,304	47	638	25	409	21,765	(1,873)	19,892
D	8,353	3,165	45	345	24	172	12,104	(469)	11,635
E	4,380	1,169	34	156	12	80	5,831	(109)	5,722
F	1,608	338	31	83	0	19	2,079	(31)	2,048
G	736	123	32	40	3	12	946	(9)	937
H	45	3	6	6	4	0	64	0	64
Total	42,707	26,942	254	2,770	216	1,615	74,504	(7,916)	66,588

The number of equivalent full charge properties in each band is calculated by taking the appropriate proportion of the number of properties in each discount range as set out in **Table B** below. For example, 7,510 Band A properties with a 25% discount are equivalent to 5.632.5 (7,510 x 75%) properties at the full charge. Exempt properties are excluded since there is no liability for Council Tax.

TABLE B - Equivalent Number of Properties

Band	Paying 100%	Paying 75%	Paying 50%	2nd Homes / Empty 100%	Subject to Empty Premium	Exempt 0%	Total Exc. LCTS	LCTS Scheme	Total
@	12.0	3.8	0.0	0.0	0.0	0.0	15.8	(4.0)	11.8
A	4,584.3	5,632.5	12.0	909.0	194.0	0.0	11,331.8	(3,067.0)	8,264.8
B	9,647.0	5,493.8	17.5	593.0	150.0	0.0	15,901.3	(2,354.0)	13,547.3
C	13,342.0	5,477.9	23.5	638.0	59.0	0.0	19,540.4	(1,873.0)	17,667.4
D	8,353.0	2,373.8	22.5	345.0	57.0	0.0	11,151.3	(469.0)	10,682.3
E	4,380.0	876.8	17.0	156.0	27.0	0.0	5,456.8	(109.0)	5,347.8
F	1,608.0	253.5	15.5	83.0	0.0	0.0	1,960.0	(31.0)	1,929.0
G	736.0	92.2	16.0	40.0	6.0	0.0	890.2	(9.0)	881.2
H	45.0	2.3	3.0	6.0	9.0	0.0	65.3	0.0	65.3
Total	42,707.3	20,206.6	127.0	2,770.0	502.0	0.0	66,312.9	(7,916.0)	58,396.9

The figures in table B above are converted to equivalent Band D dwellings by multiplying the total equivalent number of properties in each band by the appropriate fraction set out in paragraph 2. For example, the total of 15,901.3 Band B properties at full charge are equivalent to 12,367.7 Band D properties (15,901.3 x 7/9). The number of equivalent Band D properties is shown in **Table C** below (showing the effect of the LCTS scheme separately).

TABLE C - Unscaled Tax Base - Band 'D' Prop.

Band	Propn.	Total Exc. LCTS	LCTS Scheme	Total
@	5/9	8.8	(2.2)	6.6
A	6/9	7,554.5	(2,045.0)	5,509.5
B	7/9	12,367.7	(1,831.0)	10,536.7
C	8/9	17,369.2	(1,665.0)	15,704.2
D	9/9	11,151.3	(469.5)	10,681.8
E	11/9	6,669.4	(133.5)	6,535.9
F	13/9	2,831.1	(45.1)	2,786.0
G	15/9	1,483.7	(14.9)	1,468.8
H	18/9	130.6	0.0	130.6
Total		59,566.3	(6,206.2)	53,360.1

6. In order to arrive at the tax base for tax setting purposes, the Council must make an appropriate provision for doubtful debt, for possible reduction in the tax base following successful appeals against banding and for changes in occupation between the valuation list dated 11 September 2023 (for number of dwellings) or 1 October 2023 (for details of occupation) and 31 March 2024. These changes could consist of:

   a) New dwellings;

   b) Movement or change in status of individual members of households, which might result in changes in entitlement to discounts.

7. In **Table D** below is the unscaled tax base calculated from table C, followed by recommended allowances for doubtful debt and changes in the valuation list (banding) or category of occupation. Based on current experience of collection performance the provision for 2024/25 has been set at 2.8%, a decrease of 0.2% when compared to the previous year.

TABLE D - Council Tax Base for Tax Setting Purposes - Band 'D' Equivalent Properties

2023/24		2024/25
52,628.9	Unscaled Tax Base	53,360.1
(1,578.9)	Provision for changes in Valuation List, Discounts and Non-Collection	(1,494.1)
51,050.0	**Council Tax Base for Tax Setting Purposes**	51,866.0