



# Borough of Telford and Wrekin

## Full Council Report

Thursday 25 January 2024

### Setting of Council Tax Base 2024/25

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<b>Cabinet Member:</b>	Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance
<b>Lead Director:</b>	Michelle Brockway - Interim Director: Finance & Human Resources
<b>Service Area:</b>	Finance & Human Resources
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<b>Wards Affected:</b>	All Wards
<b>Key Decision:</b>	Not Key Decision
<b>Forward Plan:</b>	Not Applicable
<b>Report considered by:</b>	Full Council – 25 January 2024

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#### 1.0 Recommendations for decision/noting:

Full Council is asked to approve:

- 1.1 The calculation of the tax base for 2024/25 as at paragraph 4.4 and Appendix A;  
and
- 1.2 In Accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914), the amount calculated for Telford and Wrekin Council Tax base for 2024/25 for its Special Fund Area shall be as per the appropriate parish amounts detailed in Appendix A for the parishes listed in paragraph 4.5.

## **2.0 Purpose of Report**

2.1 To determine the Council Tax Base for General and Special Fund purposes for the financial year 2024/25. The setting of the Council Tax Base is the first stage in the process of setting the Council Tax for 2024/25. Final recommendations on council tax levels will be presented to Full Council on 29 February 2024.

## **3.0 Background**

3.1 In order to determine the appropriate Council Tax levels for the area, it is necessary for the Council to determine the tax base for its area or part of its area. The budget requirements of the various precepting authorities are divided by this figure to arrive at the Band D equivalent level of Council Tax.

3.2 The tax base for 2024/25 must be set by Full Council between 1st December 2023 and 31st January 2024 as prescribed by section 8 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914).

## **4.0 Summary of main proposals**

### **4.1 Council Tax Base Information**

As members will be aware, the Council Tax is a banded capital value based property tax.

The main features of the tax are:-

- Each domestic property is allocated to one of 8 bands depending on its capital value which has been set by the Valuation Office Agency.
- Section 5 of the Local Government Finance Act 1992 sets out the range of property values within each band. Associated Regulations determine the relationship between the tax rates for each band.
- A 25% discount from the full charge is available for single adult households. Certain categories of resident are disregarded in deciding the number of adult residents. These include students, student nurses, youth training trainees, the severely mentally impaired etc. Qualifying criteria must be met before discounts or disregards are allowed.
- A reduction equivalent to one council tax band is available where a resident of a dwelling is disabled and certain facilities are required for meeting the needs of that disabled person. For Band A properties the reduction is equivalent to 1/9th of the Band D Charge so the charge for such a Band A dwelling is 5/9ths rather than the usual 6/9ths for a Band A property.
- Council Tax Reduction is applied to the council tax base as a discount that varies depending on personal circumstances and this reduces the Council Tax Base.

The Council Tax Bands range from A to H and the details are as follows:-

<b>Band</b>	<b>House Value</b> (as at April 1991 prices)	<b>Band D Proportion</b>	<b>Telford &amp; Wrekin Properties Spread</b>	<b>% Increase/ (Decrease) for 2023/24</b>
	<b>£</b>	<b>%</b>	<b>%</b>	<b>%</b>
A	Under 40,000	66.7	32.53	(0.55)
B	40,001 – 52,000	77.8	27.09	(0.04)
C	52,001 – 68,000	88.9	17.25	0.39
D	68,001 – 88,000	100.0	11.82	0.08
E	88,001 – 120,000	122.2	6.83	0.11
F	120,001 – 160,000	144.4	3.00	0.01
G	160,001 – 320,000	166.7	1.41	0.00
H	Over 320,000	200.0	0.06	0.00

#### 4.2 Property Base

There are 82,624 properties in the valuation list for the Telford & Wrekin area. This compares with a figure of 81,225 in the list at the same time last year. This is an increase of 1,399 properties (which equates to an increase of 1,257.9 “Band D equivalent properties” to the Council Tax Base), an increase of 1.72%. The assumed rate of collection will remain at 99.25%. Total council tax receipts (including for the fire and police authorities) will be approximately £2.435m greater as a result of growth in the tax base. Telford & Wrekin Council’s share of this is £1.841m. The growth is equivalent to a council tax increase of 2.27% and will help support services provided by the council, fire service and police service. Overall there has been a decrease in the proportion of Band A and Band B properties and increases in the proportions of Bands C to F, particularly in Band C.

#### 4.3 Council Tax Base

To arrive at the Council Tax Base, it is necessary to undertake the following calculation in respect of each tax band:

$$\begin{aligned}
 & \text{Total number of chargeable dwellings} \\
 & \quad \text{(Less) Dwellings subject to discounts} \\
 & \quad = \\
 & \text{Total equivalent number of properties} \\
 & \quad \times \\
 & \quad \text{Ratio to Band D} \\
 & \quad = \\
 & \text{Relevant Amount (Band D Equivalent)}
 \end{aligned}$$

The relevant amounts for each tax band are then aggregated to arrive at the total for the area.

Finally, an estimated Collection Rate needs to be applied to the resultant figure. This has to be common to the whole area and has to provide for amendments to the Council Tax Banding List, appeals against banding, additional discounts and losses on collection. Clearly every effort is taken to vigorously pursue all council tax due to the authority. As mentioned above we will use a figure of 99.25% for 2024/25.

### 4.4 General Fund Tax Base

This is the estimated council tax base for the whole of the area and will be used by Telford & Wrekin to calculate its General Fund Council Tax levy and also by The Office of the Police and Crime Commissioner for West Mercia and the Shropshire and Wrekin Fire & Rescue Authority to calculate the levy in respect of their precepts.

The tax base for this purpose for 2024/25 is 57,000.1 (including 154.9 for contributions in lieu in respect of MOD properties). Using an estimated collection rate of 99.25% (adjusted for 100% collection of contributions in lieu), **the tax base is calculated as 56.573.8.**

### 4.5 Special Fund Tax Base

This is the estimated council tax base for the Special Fund area, i.e. those areas where Telford & Wrekin Council provides services which, in other areas, are provided by Town & Parish Councils. These areas are;

- Dawley Hamlets,
- Great Dawley,
- Hollinswood & Randlay,
- Lawley & Overdale,
- Madeley,
- Oakengates,
- St Georges & Priorslee,
- Stirchley & Brookside,
- The Gorge,
- Wellington, and
- Wrockwardine & Trench.

The Council Tax Base for each can be found in Appendix A.

A Special Fund tax will be levied on those parishes that have opted not to take over the responsibility for footway lighting in their area. These are:-

- Dawley Hamlets,
- Great Dawley,
- Hollinswood & Randlay,
- Lawley and Overdale,
- Madeley,

## Setting of Council Tax Base 2024/25

- Oakengates,
- Stirchley & Brookside,
- The Gorge, and
- Wellington.

If any of the other parishes that currently have responsibility for footway lighting decide to return these to Telford & Wrekin Council's responsibility then they will also have the additional charge.

The Special Fund Council Tax will be set taking into account the special fund services provided in each individual parish area and taking account of the tax base for each parish.

### **5.0 Alternative Options**

5.1 The tax base for each parish area is calculated in accordance with statutory regulations.

### **6.0 Key Risks**

6.1 In setting the tax base an assumption is made for losses on collection, the Council takes all reasonable steps to collect income due but the final collection rate may be higher or lower than the 99.25% assumed.

### **7.0 Council Priorities**

7.1 Setting the council tax base is a legal requirement and is needed to calculate council tax levels for 2024/25 and therefore directly supports the delivery of all Council priorities.

### **8.0 Financial Implications**

8.1 The information contained within this report is used in determining the Council Tax to be charged in 2024/25.

### **9.0 Legal and HR Implications**

9.1 The legal requirements relating to the setting of the Council tax base are set out in the main body of this report. The Council has a statutory obligation to set the Council Tax Base by 31 January 2024 to enable the level of Council Tax to be then set in accordance with the statutory deadline of 10 March 2024. In summary the Council has the power and the duty to set the Council Tax Base in the way described in this report.

### **10.0 Ward Implications**

10.1 The tax base is set at parish level in order to reflect the council tax due in each Town or Parish Council area. There are no direct impacts on specific wards.

## **11.0 Health, Social and Economic Implications**

11.1 The Council Tax base calculation includes discounts and reductions which supports the Council priorities in respect of Health, Social and Economic factors.

## **12.0 Equality and Diversity Implications**

12.1 The Council Tax base calculation includes discounts and reductions, including disabled person discounts and single person occupancy discounts, which support Equality and Diversity.

## **13.0 Climate Change and Environmental Implications**

13.1 There are no Climate Change and Environmental Implications.

## **14.0 Background Papers**

- 1 Local Government Act 2003
- 2 DLUHC Calculation of Council Tax Base Return (CTB1) October 2023
- 3 The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003
- 4 Local Authorities (Calculation of Council Tax Base) Regulations (SI 2012:2914)
- 5 Local Government Finance Act 2003
- 6 Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

## **15.0 Appendices**

- A Council Tax Base by Parish / Town Council

## **16.0 Report Sign Off**

<b>Signed off by</b>	<b>Date sent</b>	<b>Date signed off</b>	<b>Initials</b>
Finance	04/12/2023	21/12/2023	PH
Legal	04/12/2023	18/12/2023	RP
Director	04/12/2023	04/01/2024	MLB