



Report to Cabinet

Date:	4 th January 2024
Title:	Council Tax Base Setting 2024/25
Cabinet Member(s):	Martin Tett, Leader
Contact officer:	Hasina Shah
Ward(s) affected:	All
Recommendations:	Approve the Buckinghamshire Council tax base for the year 2024/25 as 231,161.81. The Buckinghamshire Council's collection rate for the year 2024/25 is 98.4%.
Reason for recommendation:	The Local Government Finance Act (LGFA) 1992, as amended by the LGFA 2003 & LGFA 2012, requires the Authority to formally calculate the Council Tax Base for 2024/25 and pass this information to precepting authorities.

1. Executive summary

- 1.1 In 2024/25, the tax base for the year is 231,161.81 which is 0.94% higher than 2023/24.
- 1.2 The increase in tax base from last year arises from:
 - a) Adjustments in respect of changes in the number of chargeable dwellings, discounts or premiums; this will increase the base by 2250.86 band D equivalent properties;
 - b) Increasing the collection rate from 98.3% to 98.4%; this increased the base by 231 band D equivalent properties; and
 - c) Slight increase in Council Tax Reduction Scheme; this decreased the base by 318 band D equivalent properties.

2. Background

- 2.1 The Local Authorities Calculation of Council Tax Base (England) Regulations 2012 prescribe rules for the calculation of the Council Tax base.
- 2.2 On an annual basis, all local authorities are required to calculate a Council Tax Base which is used to set the level of Council Tax. The process is governed by the Local Authorities' (Calculation of Tax Base) Regulations 1992.

3. Methodology

- 3.1 The tax base is set having regard to:
 - a) The Valuation List;
 - b) Current exemptions, reductions and discounts;
 - c) Discretionary discounts;
 - d) Anticipated developments that may occur during the year;
 - e) Expected long term collection rate;
 - f) Local discounts and premiums arising from the Council Tax Support Scheme.
- 3.2 The basic methodology for calculating the tax base is as follows:
 - a) Calculations are made of the 'relevant amount' for the year in respect of the valuation bands shown in the Council's Valuation List as at the end of November. For each band, this amount represents the estimated full year equivalent number of chargeable dwellings listed in the band after taking into account the impact of disabled band reductions and discounts.
 - b) The 'relevant amounts' for each band are then aggregated and expressed as an equivalent number of band D dwellings.
 - c) The Council then multiplies this aggregate of all relevant amounts by the estimated collection rate for the year. The resulting figure is the Council Tax Base for the year
 - d) The rules for calculating the Council Tax Base for any part of a Council's area (e.g. a parish, or that part of its area to which a levy or special levy relates) are the same as the rules for calculating the Council Tax Base for the whole of its area for that year, and the same estimated collection rate must be used.
- 3.3 Local discounts and premiums arising from the Council Tax Support Scheme and Council Tax Reforms brought in from 1 April 2014 have been taken into account in the tax base calculation. The calculation is based on the current position in terms of numbers on the Council Tax Reduction Scheme (CTR).

3.4 The result of this calculation for each band and each part of the area is then scaled to a Band D equivalent by reference to the ratios laid down in Section 5 of the 1992 Act and summarised below.

Band	A	B	C	D	E	F	G	H
Weighting	6/9	7/9	8/9	1	11/9	13/9	15/9	2

3.5 The estimate of the collection rate is the main area over which the Council has any discretion. Recommendation 2 seeks approval for an estimated collection rate of 98.4% which has been estimated by reference to past experience of Council Tax collection, including the current observable conditions.

3.6 We have initiated quarterly monitoring meetings to track housing growth assumptions used in the Council Tax Base given the slowdown that we have seen locally and the national position. In addition to this, the Collection rates will be monitored, and any adjustments will be reflected in the calculation of the 2024/25 surplus or deficit.

4. Other options considered

4.1 The Council has discretion over setting the collection rate. Setting a higher rate would increase revenue. Any potential deficit created by the collection rate falling below the rate can be managed in future years. Changing the assumption around the collection rate would also impact on the receipts of major preceptors.

5. Legal and financial implications

5.1 **Legal** - The Council has a statutory duty to set the Council Tax base for each year and this report is part of this process. Section 31B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, imposes a duty on the Council, as a billing authority, to calculate its Council Tax by applying a formula laid down in that Section.

5.2 **Financial Implications** - The proposed council tax base for 2024/25 is 231,161.81 and will form part of the overall calculation of the Council's budget and determines the Council Tax income available to fund the Council's Services. There is a risk that should the actual Tax Base and Collection Rate may be more or less than the budgeted figures and this will have favourable or adverse impact respectively in subsequent years.

6. Corporate implications

6.1 Agreeing the tax base allows the Council to set council tax levels which is a fundamental part of the Council's budget process. Council Tax revenue is an essential part of the Council's overall budget and helps to support corporate priorities.

7. Communication, engagement & further consultation

7.1 The tax base will be provided to other preceptors (e.g. Parishes, Fire Authority).

8. Next steps and review

8.1 N/A

9. Background papers

9.1 Appendix 1: Council Tax Base of each of the parts of Buckinghamshire.

10. Your questions and views (for key decisions)

If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team. This can be done by email to democracy@buckinghamshire.gov.uk.

