



Northumberland

County Council

CABINET

Tuesday, 12 December 2023

SETTING OF THE COUNCIL TAX BASE 2024-25

Report of Councillor(s) Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services.

Responsible Officer(s): Executive Director for Resources & Transformation (S151), Executive Director Transformation and Resources

1. **Link to Key Priorities of the Corporate Plan**

Setting the council tax base is the first stage in the setting of council tax. It is used to measure the taxable capacity for use when setting the amount to be raised from council tax.

2. **Purpose of report**

The purpose of this report is to advise Cabinet of the tax base calculation for 2024-25 for all domestic properties liable to pay council tax.

The tax base must be set by the statutory deadline of 31 January 2024.

3. **Recommendations**

- 3.1 Cabinet is recommended to approve the council tax base for 2024-25 as detailed within Appendix A equating to 112,185.46 Band D equivalent dwellings. This is an increase of 2,033.16 Band D equivalents from 2023-24.

4. **Forward plan date and reason for urgency if applicable**

02 November 2023

5. **Background**

- 5.1 Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended) require the Council to calculate a council tax base for each financial year.
- 5.2 The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012, and applies to the financial years

beginning 1 April 2013 onwards, contain the rules which require the Council to calculate the Council Tax Base.

- 5.3 Section 84 of the Local Government Act 2003 allows the calculation or determination to be delegated to a committee or an officer of the Council.
- 5.4 Following approval at County Council on 4 November 2015, Cabinet has delegated authority to approve the tax base.
- 5.5 The Council Tax Base is a measure of the Council's taxable capacity for the setting of its council tax, and legislation sets out the formula for the calculation and the requirement that the tax base is formally approved.
- 5.6 The Council Tax Base is the number of Band D equivalent dwellings in Northumberland. To calculate the tax base the number of dwellings in each council tax band is adjusted to take account of any discounts, exemptions or premiums. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated.
- 5.7 There were 160,105 dwellings in Northumberland (as at 11 September 2023) and they are included in one of eight council tax valuation bands from Band A to Band H.
- 5.8 For calculating the council tax base, dwelling numbers are recalculated into a common base of Band D equivalents.
- 5.9 The main changes from 2023-24 are:
 - a) There were 1,547 more dwellings in the County shown in the Valuation List on 11 September 2023
 - b) There were 963 more dwellings subject to a 25% reduction on the grounds of single person discount on 2 October 2023
 - c) There were 213 fewer equivalent number of dwellings entitled to council tax support on 2 October 2023
 - d) A new empty homes premium will come into effect on 1 April 2024 whereby vacant properties will be charged a 100% after 12 months. Based on data as at 2 October 2023 this will affect 771 properties.
- 5.10 Section 1 of Appendix A shows the number of domestic dwellings in the County which the Valuation Office Agency has allocated to each of the eight valuation bands. It then shows adjustments in respect of demolished dwellings or dwellings to be removed from the Valuation List. It also shows the number of dwellings entitled to disabled band relief. Disabled band relief is granted where a dwelling meets qualifying criteria in relation to facilities provided for a disabled resident. These dwellings are treated as being in the valuation band one lower than the actual valuation band of the dwelling.
- 5.11 Section 2 of Appendix A shows an analysis of the dwellings (as at 2 October 2023) between those liable to the full council tax charge and those subject to a discount, exemption, council tax support or premium.
- 5.12 Section 3 of Appendix A converts the dwellings into full unit equivalents having regard to the eligibility for discounts, exemptions, council tax support and premiums summarised in Section 2.

- 5.13 Section 4 of Appendix A shows the ratio of the tax liability of a dwelling in that band to one in the average valuation band, i.e. Band D.
- 5.14 Section 5 of Appendix A converts the full unit equivalents set out in Section 3 into 'Band D equivalents' by multiplying them by the ratios set out in Section 4.
- 5.15 Section 6 of Appendix A shows the number of Band D equivalent dwellings where a contribution in lieu of council tax is received for Ministry of Defence dwellings.
- 5.16 Section 7 of Appendix A shows the Gross Tax Base before an allowance for non-collection is applied.
- 5.17 Section 8 of Appendix A shows the adjustment for non-collection percentage.
- 5.18 Section 9 of Appendix A shows the Council Tax Base figure for 2024-25 in Band D equivalents.

6. Options open to the Council and reasons for the recommendations

Approve the council tax base figure for 2024-25 as the first stage of setting the council tax for 2024-25.

7. Implications

Policy	There are two policies that impact on the tax base calculation: The Council Tax Discounts Policy approved by County Council on 22 February 2023; and the Council Tax Support Scheme 2024-25 which is subject to approval by County Council on 17 January 2024.
Finance and value for money	The Council Tax Base is used to measure the taxable capacity for use when setting the amount to be raised from Council Tax.
Legal	Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 prescribes the formula for calculating the tax base, Section 84 of the Local Government Act 2003 allows the calculation or determination to be delegated to a committee or an officer of the Council.
Procurement	There are no procurement implications as a result of this report.
Human resources	There are no HR implications as a result of this report.
Property	There are no property implications as a result of this report.
Equalities Act: is a full impact assessment	No - no equalities issues identified No issues identified

required and attached?	
Risk assessment	There is a risk that the council tax base could be set at a level that results in a shortfall of income when council tax levels are set. An allowance for non-collection will minimise that risk and the budget will be subject to risk appraisal before final recommendation is made to County Council.
Crime and disorder	There are no crime and disorder implications as a result of this report.
Customer considerations	There are no customer consideration implications as a result of this report.
Carbon reduction	There are no carbon reduction implications as a result of this report.
Health and wellbeing	There are no health and wellbeing implication as a result of this report.
Wards	The council tax base covers all wards in Northumberland.

8. **Background papers**

The Local Government Finance Act 1992
Local Government Act 2003 – Section 84
Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012
Council Tax Discounts Policy approved by County Council on xx February 2023
Council Tax Support Scheme for 2024-25 subject to approval by County Council on 17 January 2024
Levelling-up and Regeneration Act 2023

9. **Links to other key reports already published**

Not applicable

10. **Author and Contact Details**

Gillian Caisley,
Email: gillian.caisley@northumberland.gov.uk