

Report to Council

10 December 2024

Subject:	Council Tax Base 2025-2026
Director:	Alex Thompson – Executive Director of Finance and Transformation
Contact Officer:	Ian Dunn Revenues and Benefits Service Manager ian_dunn@sandwell.gov.uk Carl Jones Carl_jones@sandwell.gov.uk Revenues and Benefits senior operations manager

1 Recommendations

- 1.1 That a Council Tax Base for 2025-2026 of 80,364.3 be approved
- 1.2 That the Section 151 Officer be authorised to adjust the Council Tax Base if required following decision on the 2025/2026 Council Tax Reduction Scheme by Council on 10 December 2024

2 Reasons for Recommendations

- 2.1 The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. It is used to determine the annual amount of collectable Council Tax.
- 2.2 The regulations set out the methodology to be used by authorities when calculating their Council Tax Base. They further dictate that the Council Tax Base should be set between 01 December and 31 January prior to the financial year to which it refers.



3 How does this deliver objectives of the Council Plan?

Thriving Economy in Sandwell	Collection of Council Tax is important as it gives the council money to spend and invest locally
------------------------------	--

4 Context and Key Issues

- 4.1 The Council Tax Base is an assessment by each billing authority of the number of chargeable dwellings, converted to Band D equivalents (the average band), allowing for discounts, exemptions, non-collection, and new properties. This information is used when setting the Council's budget as it determines the amount of Council Tax that is expected to be billed..
- 4.2 To finalise calculation of the Council Tax Base the number of properties in each Council Tax band on the valuation list is also adjusted for the Local Council Tax Reduction Scheme. In addition, assumptions are made for changes in the number of properties in each band between now and 31 March 2026 because of new builds and demolitions.
- 4.3 The adjusted numbers in each band are then converted to the equivalent number of Band D properties.
- 4.4 At the time of presenting this report to Cabinet, Sandwell's Local Council Tax Reduction Scheme has not yet been approved by the Council. Details of the proposed Local Council Tax Reduction Scheme are contained within the Local Council Tax Reduction Scheme report to Council on 10 December 2024. The proposed changes to the Local Council Tax Reduction Scheme adjust the assumptions made in the Council Tax Base calculation. The Council Tax Base for 2025/2026 of 80,364.3 reflects the proposed changes to the scheme.. Delegated authority is requested to allow the Council's Section 151 Officer to adjust the tax base if necessary following the decision of Council related to the Council Tax Reduction Scheme.
- 4.5 The Council Tax Base must be further adjusted to reflect any anticipated losses on collection. For 2024/2025 a collection rate of 98.5% was



assumed which had been reduced from 99.0% in previous years due to recent forecast collection rates.

- 4.6 Latest forecasts on collection rates alongside changes to Council Tax Reduction Scheme justify a further amendment to the anticipated losses for 2025/26. Ongoing economic pressures such as inflation and interest rates and the first-time introduction of a minimum payment for working age residents who receive Council Tax Reduction could negatively impact collection rates. A revised assumption of a 97.9% collection rate is realistic in 2025/26. This reduces the Council Tax Base to the value to be approved as follows:

<u>Collection Rate %</u>	<u>Tax Base</u>
100%	82,088.2
97.9%	80,364.3

- 4.7 The actual levels of Council Tax for 2025/2026 will be dependent upon final decisions yet to be taken on both Sandwell budgets and those of the precepting bodies, together with consideration of any surplus or deficit on the Collection Fund.
- 4.8 For 2024/2025 the Council Tax Base was 78,217.27 and based on a 98.5% collection rate. Despite the reduction in the collection rate referred to above, the Council Tax Base for 2025/2026 has increased by 2.74%. This is due to the additional number of properties from development within the borough but also the increased Council Tax to collect due to the adjustments proposed to the Council Tax Reduction Scheme.

5 Alternative Options

- 5.1 Not applicable. The Council Tax base represents technical calculations guided by statute. Senior officers analyse up to date Council Tax data alongside forecasts based on trends and planning data to provide appropriate assumptions for this report.



6 Implications

Resources:	The calculation of Council Tax Base is based on the number of domestic properties in the valuation list in Sandwell. Statistical information indicates that the number of domestic properties in Sandwell is now starting to increase again after the pandemic.
Legal and Governance:	The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and be determined between 01 December and 31 January of the financial year preceding the financial year to which it will apply.
Risk:	If Council Tax is not collected the Council's income could be affected and services provided by the Council may need to be cut.
Equality:	No impact
Health and Wellbeing:	No impact
Social Value:	No impact
Climate Change:	No impact
Corporate Parenting:	No impact

7. Appendices

None

8. Background Papers

None

