



## **POLICY AND RESOURCES COMMITTEE**

**Wednesday 17 January 2024**

<b>REPORT TITLE:</b>	<b>COUNCIL TAX BASE CALCULATION TAX BASE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF FINANCE</b>

### **REPORT SUMMARY**

This report brings together related issues regarding the proposed Council Tax Base for 2024/25 upon which the annual Council Tax levels will be set. This needs to be approved by the 31 January.

The Wirral Plan 2021 - 2026 sets out the Council's vision to secure the best possible future for the Council's residents and covers the following five themes:

- A thriving and inclusive economy, creating jobs and opportunities for all;
- A clean-energy, sustainable borough, leading the way in tackling the environment crisis;
- Brighter futures for all regardless of their background;
- Safe and pleasant communities that our residents are proud of; and
- Healthy and active lives for all, with the right care, at the right time.

The proposals within this report align with the above themes by supporting some of the most vulnerable members of the community and providing a financial framework to assist with funding the Council's services.

The matter affects all Wards within the Borough.

This is a key decision.

### **RECOMMENDATIONS**

**Policy and Resources Committee is recommended to:**

- 1. Approve the figure of 95,993.93 as the Council Tax Base for 2024/25. This is an increase of 408.86 (0.43%) on last year's Council Tax Base.**

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 The Council must agree its Council Tax Base for 2024/25 between the 1 December 2023 and 31 January 2024.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 In respect of the Council Tax Base there a legal requirement that this must be set by 31 January each year, therefore no other option has been considered.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The Council has a statutory duty to take decisions each year regarding the administration of Council Tax which must be set by the 11 March each year.
- 3.2 In Accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the Council is required to set its Council Tax Base annually in order to determine the appropriate number of properties to be considered for Wirral, the Preceptor Authorities (Police & Crime Commissioner and Fire & Rescue Services) and the Environment Agency (Flood Defence). The Council Tax Base has a direct impact on the Council Tax that will be levied for Wirral for 2024/25.
- 3.3 The Council Tax Base must be determined between the 1 December 2023 & 31 January 2024 and will be used to calculate the Council Tax charges for 2024/25.
- 3.4 The Tax Base calculation process is as follows; -
- Calculate the number of properties on 30 November 2023 and adjust for changes due to demolitions and new builds up to 31 March 2025 which are then converted to a full year Band D equivalent. The council also adjust for discounts, exemptions and disabled relief and add any changes expected over the year reflecting the Local Council Tax Reduction Scheme and changes to empty property discounts and premiums.
  - Convert the number of “discounted” dwellings in each Council Tax Band to Band D equivalent.
  - Adjust the total number of Band D equivalents by the estimated Council Tax collection rate for the year. The amended calculation is as below and will be utilised in calculating the Council Tax charge for 2024/25.
- 3.5 Forecast properties per Council Tax band within Wirral based on information as of 30 November 2023: -

**Table 1: Wirral Council Tax Bandings Forecast**

Band	Value (£)	Properties 2023	Change	Properties 2024	Band %	Ratio
A	<40,000	61,298	(13)	61,285	40.13	6/9
B	40,001-52,000	32,964	528	33,492	21.93	7/9
C	52,001-68,000	27,760	32	27,792	18.20	8/9
D	68,001-88,000	13,581	125	13,706	8.97	9/9
E	88,001-120,000	8,426	137	8,563	5.61	11/9
F	120,001-160,000	4,387	(5)	4,382	2.87	13/9
G	160,001-320,000	3,195	21	3,216	2.11	15/9
H	>320,000	279	2	281	0.18	18/9
Total		151,890		<b>152,716</b>	100%	

- 3.6 The properties are converted to the Band D equivalent and adjusted for the Local Council Tax Reduction Scheme and other Council Tax Discounts, Exemptions and Disabled Relief and adjusted by the Collection Rate to give the Council Tax Base.

**Table 2: Wirral Council Tax Band D calculation 2024/25**

Band	Properties 2024	Changes due to LCTRS discounts, exemptions	Revised property equivalent	Ratio to Band D	Net Band D equivalent
A	61,285	(24,716.24)	36,568.76	6/9	24,379.17
B	33,492	(7,452.06)	26,040.34	7/9	20,253.60
C	27,792	(3,990.87)	23,800.73	8/9	21,156.20
D	13,706	(1,511.75)	12,194.05	9/9	12,194.05
E	8,563	(777.52)	7,785.48	11/9	9,515.59
F	4,382	(330.86)	4,051.34	13/9	5,851.94
G	3,216	(231.84)	2,983.66	15/9	4,972.77
H	281	(36.07)	244.43	18/9	488.86
Band A Disabled		(5.9)	87.70		48.72
Total	152,716	(39,053.11)	<b>113,662.89</b>		98,860.90
Assumed Collection Rate					x 97.10%
Adjusted Council Tax Base					95,993.93

- 3.7 The Collection Rate is calculated by adding the current expected in-year collection together with the amounts of arrears collected expressed as a percentage of the current net collectable debit.
- 3.8 Based on previous years' experience it is prudent to apply a collection rate of 97.1% for the forthcoming financial year. This is a slight downward adjustment of 0.1% to reflect the current economic climate. This will assure that any collection fund surplus/deficit is minimised. This has been reflected in the setting of the Council Tax Base.

- 3.9 The recommended figure for 2024/25 is 95,993.93. Compared to the 2023/24 figure of 95,585.07. This is an increase of 408.86. The Council Tax Base has increased due to an increase in the number of properties and projected number of new builds. In addition, the proposed changes to empty property premiums have been factored into the calculations. This is offset by an increase in the number of residents claiming a Council Tax Reduction and a likely reduction in collection rates.
- 3.10 The level of Council Tax is due to be confirmed at Budget Council which for 2024/25 is scheduled for 26 February 2024.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The Council Tax Base is used to calculate Council Tax levels for 2024/25. Failure to comply with timescales could delay Council Tax bills with the potential to affect collection and cash-flow. On the assumption that the levels of support under the Local Council Tax Reduction Scheme and the Discounts and Exemptions are adopted the Council Tax Base will be increased by 0.43% from 2023/24.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The legislation requiring this calculation is the Local Authorities (Calculation of Council Tax Base) Regulations 1992. This requires the Authority to set and declare the Tax Base it will use to calculate the Council Tax level between the 1 December and 31 January in the financial year preceding the tax.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are no IT, asset or specific staffing implications arising directly from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 If the Council Tax Base figure is not declared by 31 January 2024 the Council and Preceptor Authorities will be unable to make considered budgetary decisions that could delay the Council Tax bills and income streams for 2024/25.

#### **7.0 ENGAGEMENT/CONSULTATION**

- 8.1 No consultation is required in the calculation of the Tax Base.

#### **9.0 EQUALITY IMPLICATIONS**

- 9.1 There are no direct equality implications arising from this report.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 There are no direct environmental implications arising from this report..

## 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 Wirral MBC will encourage our contractors to deliver more benefits for the local area, such as good jobs, apprenticeship, training & skills opportunities, real living wage, minimising their environmental impact, and greater wellbeing. We will also help develop the local economy by supporting and encouraging more community businesses and enable greater opportunities for local business to prosper and provide decent and fair employment.'

**REPORT AUTHOR: Michael Fisher**  
(Head of Revenues & Benefits)  
telephone: 0151 666 3205  
email: [michaelfisher@wirral.gov.uk](mailto:michaelfisher@wirral.gov.uk)

## APPENDICES

None

## BACKGROUND PAPERS

Local Government Finance Act 1992, 2003 and 2012.  
Local Authorities (Calculation of Council Tax Base) Regulations 1992  
Valuation Office Agency - Valuation List.

## TERMS OF REFERENCE

This report is being considered by the Policy and Resources Committee in accordance with Section 1.2(a) of its Terms of Reference, to formulate, co-ordinate and implement corporate policies and strategies and the medium-term financial plan (budget). The report seeks a recommendation to Council in accordance with Part 3(A) of the Constitution as the setting of the Council's Council Tax requirement is a function reserved to Council.

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy & Resources Committee	11 November 2020
Policy & Resources Committee	17 January 2022
Policy & Resources Committee	18 January 2023