

CALCULATION OF COUNCIL TAX BASE AND OTHER TAX SETTING ISSUES

Cabinet – 18 January 2024

Report of: Deputy Chief Executive and Chief Officer – Finance & Trading

Status: For Decision

Also considered by:

- Council – 20 February 2024

Key Decision: No

Executive Summary: This report sets out details of the calculation of the District's tax base for council tax setting purposes. These figures are used to determine tax rates for each of the council tax bands once the Council's budget requirement is known. The report also advises Members of the timetable for setting the 2024/25 council tax.

This report supports the Key Aim of: efficient management of the Council's resources.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer: Jessica Booth, Ext. 7436

Recommendation to Cabinet:

That it be recommended to Council that:

(a) the report of the Deputy Chief Executive and Chief Officer - Finance & Trading for the calculation of the Council's tax base for the year 2024/25 be approved;

(b) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as its council tax base for the whole area for the year 2024/25 shall be 52,394.75;

- (c) pursuant to the report of the Deputy Chief Executive and Chief Officer - Finance & Trading and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the amount calculated by the Sevenoaks District Council as the council tax base for 2024/25 for the calculation of local precepts shall be:

<u>Parish</u>	<u>Tax Base</u>
Ash-cum-Ridley	2,496.10
Badgers Mount	339.10
Brasted	802.60
Chevening	1,473.40
Chiddingstone	624.10
Cowden	461.90
Crockenhill	673.40
Dunton Green	1,364.60
Edenbridge	3,980.90
Eynsford	966.70
Farningham	676.20
Fawkham	341.30
Halstead	850.70
Hartley	2,602.30
Hever	665.00
Hextable	1,695.90
Horton Kirby & South Darenth	1,305.40
Kemsing	1,895.20
Knockholt	650.70
Leigh	957.90
Otford	1,743.10
Penshurst	844.00
Riverhead	1,282.30
Seal	1,364.70
Sevenoaks Town	9,952.00
Sevenoaks Weald	633.70
Shoreham	731.20
Sundridge	944.90
Swanley	5,849.10
Westerham	2,108.90
West Kingsdown	2,433.70

(d) any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish or community council or the chairman of a parish meeting shall not be treated as special expenses for the purposes of section 35 of the Local Government Finance Act 1992.

Recommendation to Council: That the various calculations detailed above be approved.

Reason for recommendation: As part of the tax setting process for 2024/25, the Council needs to formally approve the tax base at individual town and parish level as well as for the District as a whole.

Introduction and Background

- 1 The Local Authorities (Calculation of Council Tax Base) Regulations 1992, made under powers of the Local Government Finance Act 1992, specify formulae for calculating the council tax base which must be set between 1 December and 31 January.
- 2 The council tax base is a measure of the number of dwellings to which council tax is chargeable in an area or part of an area. It is used for the purposes of calculating a billing authority's and other precepting authorities' band D council tax. The amounts payable in the other bands are expressed as a proportion of the band D figure and these are shown in Appendix A.
- 3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the Council's estimated collection rate for the year.
- 4 The Council is required to calculate a tax base figure for the Department for Levelling Up, Housing & Communities (DLUHC). This is based on the valuation list as at 11 September 2023 and occupancy information at 2 October 2023. The tax base for tax setting purposes is based on information available in December 2023. In addition, other factors may be taken into account to reflect likely changes to the tax base during 2024/25. These factors include:-
 - An allowance for changes in the amount of disabled relief
 - An allowance for changes in the number of exempt properties
 - An estimate of the number of new properties liable to council tax
 - An estimate of the number of properties ceasing to be liable to council tax
 - An allowance for changes in the number of single person discounts
 - An allowance for changes in the level of Council Tax Reduction Scheme payments

- An allowance for the effect of appeals by taxpayers on the banding of their properties
- 5 It has always been the practice to assume that these items will be self-balancing and hence no adjustment to the overall tax base was made other than the usual allowance for non-collection. The base calculations this year assume that the change to empty homes premium is approved from 1st April 2024.

Detailed Tax Base Calculations

- 6 The current year's tax base calculation assumes a 99.4% collection rate and it is proposed that this is maintained at the same level for 2024/25.
- 7 The second column of the table below sets out the number of band D equivalents based on the valuation list and occupancy information at 1 December 2023 for each Parish, together with a summary for the District. The figures are then subjected to the collection rate adjustment in column 3 to arrive at the tax base for council tax setting purposes appearing in column 4. The corresponding figure for 2023/24 appear in column 5.

<u>(1)</u> <u>Parish</u>	<u>(2)</u> <u>Band D</u> <u>Equivalents</u>	<u>(3)</u> <u>Collection</u> <u>Rate</u> <u>Multipliers</u>	<u>(4)</u> <u>Tax base</u> <u>2024/25</u>	<u>(5)</u> <u>Tax base</u> <u>2023/24</u>
Ash-cum-Ridley	2,496.10	0.994	2,481.12	2,483.11
Badgers Mount	339.10	0.994	337.07	337.07
Brasted	802.60	0.994	797.78	790.33
Chevening	1,473.40	0.994	1,464.56	1,458.10
Chiddingstone	624.10	0.994	620.36	619.26
Cowden	461.90	0.994	459.13	449.59
Crockenhill	673.40	0.994	669.36	659.42
Dunton Green	1,364.60	0.994	1,356.41	1,347.57
Edenbridge	3,980.90	0.994	3,957.01	3,891.91
Eynsford	966.70	0.994	960.90	956.23
Farningham	676.20	0.994	672.14	679.90
Fawkham	341.30	0.994	339.25	306.55
Halstead	850.70	0.994	845.60	811.60
Hartley	2,602.30	0.994	2,586.69	2,560.84
Hever	665.00	0.994	661.01	646.99
Hextable	1,695.90	0.994	1,685.72	1,692.19
Horton Kirby & S Darenth	1,305.40	0.994	1,297.57	1,293.29
Kemsing	1,895.20	0.994	1,883.83	1,871.11
Knockholt	650.70	0.994	646.80	642.62
Leigh	957.90	0.994	952.15	952.95
Otford	1,743.10	0.994	1,732.64	1,735.72
Penshurst	844.00	0.994	838.94	839.73
Riverhead	1,282.30	0.994	1,274.61	1,270.73
Seal	1,364.70	0.994	1,356.51	1,345.48
Sevenoaks Town	9,952.00	0.994	9,892.29	9,844.68
Sevenoaks Weald	633.70	0.994	629.90	629.00
Shoreham	731.20	0.994	726.81	718.66
Sundridge	944.90	0.994	939.23	944.90
Swanley	5,849.10	0.994	5,814.01	5,710.83
Westerham	2,108.90	0.994	2,096.25	2,091.38
West Kingsdown	2,433.70	0.994	2,419.10	2,408.56
TOTALS	52,711.00		52,394.75	51,990.30

- 8 The Council has previously resolved that its expenses are to be treated as general expenses. In addition the Council has to formally approve what are regarded to be special expenses now that parish precepts are treated as part of the District Council's general fund and therefore its budget requirement.

Timetable for Setting the Tax

- 9 The County Council, Police & Crime Commissioner and Fire and Rescue Service have advised me of their budget meeting dates for 2024/25:
- County Council – 19 February 2024
 - Police & Crime Commissioner – 6 February 2024 – TBC
 - Fire & Rescue Service – 20 February 2024
- 10 The council tax for the Sevenoaks area cannot be set before the County, Police and Fire precepts have been ratified. There are several dates laid down in regulations on, or by which, certain tasks in relation to the budget process and tax setting have to be carried out. These key dates appear in Appendix B.
- 11 As part of the tax setting process, the Council is required to make an estimate of the collection fund surplus or deficit at 15 January 2024 or the first working day after this, for the year ending 31 March 2024.
- 12 An authority's share of any surplus or deficit relating to council tax is to be in the same proportion as its demand bears to the total demand and precepts on the collection fund for 2023/24. Payment is to be made during 2024/25 on the same dates as precept payments.

Key Implications

Financial

There are no financial implications.

Legal Implications and Risk Assessment Statement.

Calculation of the tax base for the District is a statutory requirement. The information is used by other authorities in setting their precepts. The actual tax base will vary during the year as new properties are built and exemptions and discounts are granted or withdrawn. Any difference in the revenue raised to that needed to pay precepts remains in the collection fund to be distributed to or collected from the billing and major precepting authorities in the following year.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

Members are asked to approve the calculation of the District's tax base for council tax setting purposes and to note the timetable for setting the 2024/25 council tax.

Appendices

Appendix A – Council tax valuation bands

Appendix B – Key dates in the council tax setting process

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading