

CABINET – 19 JANUARY 2023

COUNCIL TAX BASE 2023/2024

REPORT OF THE DIRECTOR OF FINANCE

1. Purpose of Report

- 1.1. To detail the calculation of the Council Tax Base for 2023/2024 and to seek approval to recommend to Council the Council Tax Base for 2023/2024 in accordance with the Local Government Finance Act 1992 as amended by Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

2. Description of Decision

- 2.1 Cabinet is requested to recommend to Council:
 - The report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2023/2024 be approved; and
 - That pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Sunderland City Council as its Council Tax Base for the year 2023/2024, shall be 73,619 and for the area of Hetton Town Council shall be 4,185.

3. Background to the Calculation of the Council Tax Base

- 3.1 The Council Tax Base is the estimated number of properties in each valuation band adjusted to take account of the estimated number of discounts, disregards and exemptions. The Council levies the Council Tax on the basis of properties in band D and thus the numbers for each valuation band are adjusted to the proportion which their number is to band D. The Council must then estimate its level of collection for the year and apply this figure to arrive at the Council Tax Base figure.
- 3.2 The Council Tax Base must be calculated for both the Billing Authority (Sunderland) and Hetton Town Council (a local parish precept). The Billing Authority's Tax Base will be used to calculate the Council Tax for the City Council (including any social care precept) and as the basis for the major precepting authorities (Police and Crime Commissioner for Northumbria and Tyne and Wear Fire and Rescue Authority) to determine their precept requirements.
- 3.3 The introduction of the Local Council Tax Support from 1st April 2013 requires that the Council must annually approve its proposed Local Council Tax Support Scheme. The impact of the Local Council Tax Support Scheme is recognised within the calculations as a Council Tax discount which is referred to as Item Z. The proposed 2023/2024 Local Council Tax Support Scheme is set out elsewhere on today's agenda. The Tax Base of the Council for 2023/2024 includes the full impact of the Local Council Tax Support Scheme as required by the regulations.

3.4 The Council Tax Base has increased from last year by 1,458 with an increase in respect of Hetton Town Council of 133. The increase is primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme during 2023/2024 compared with that assumed within the estimate of the Council Tax Base for the current year and also increases in the numbers of properties across the City.

4. Calculations of the Billing Authority's Council Tax Base

4.1 This calculation is in two parts – 'A' - the calculation of the estimated adjusted band D properties and 'B' - the estimated level of collection.

4.2 The calculation of 'A' - the relevant amounts for each band is complex and includes a number of calculations which are shown at Appendix 1.

4.3 Calculation of Item 'B' - Estimate of Collection Rate

This element of the formula is to reflect the level of collection anticipated. Following consideration of historic and current collection levels of both in year and previous years' arrears collection, and the general economic climate, it is proposed to continue to apply 98.0% for 2023/2024.

4.4 Calculation of Council Tax Base

The Council's Tax Base is: 'A' 75,121.44 x 'B' 98.0% = 73,619
(for comparison the previous year's Tax Base was 72,161)

5. Calculation of Council Tax Base for Hetton Town Council - Local Precept

5.1 The rules for calculating the Council Tax Base for the area covered by Hetton Town Council are similar to those used in calculating the Billing Authority's Tax Base except that chargeable dwellings and discounts are to be taken for only those dwellings and discounts relating to the area for which the Council Tax Base is to be calculated. These detailed calculations are shown in Appendix 1.

5.2 The same collection rate is required to be used for Parish precepts as for the Billing Authority.

5.3 Calculation of Council Tax Base

The Tax Base for Hetton Town Council is: 'A' 4,270.40 x 'B' 98.0% = 4,185
(for comparison the previous year's Tax base was 4,052).

6. Reasons for Decision

6.1 To comply with statutory requirements.

7. Alternative Options

7.1 There are no alternative options recommended for approval.

8. Impact Analysis

8.1 There are no implications.

9. Other Relevant Considerations / Consultations

9.1 None

10. List of Appendices

Appendix 1 - Calculation of the Council Tax Base

11. Background Papers

None

Council Tax Base - Sunderland City Council											
		Disabled Band (A)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Chargeable Dwellings	Item H	208.00	77,360.00	19,202.00	17,342.00	9,419.00	3,495.00	1,168.00	674.00	22.00	128,890.00
Total Discount	Item Q	(15.50)	(9,959.75)	(1,823.25)	(1,253.50)	(497.00)	(168.25)	(55.25)	(55.00)	(5.00)	(13,832.50)
Premium Factor	Item E	0	705	75	29	23	10	12	4	3	861
Adjustment in number of dwellings or discounts	Item J	0	173	222	163	166	68	18	7	1	818
Council Tax Support Estimate	Item Z	(46.32)	(18,637.78)	(1,794.21)	(701.78)	(184.90)	(48.84)	(8.44)	(7.02)	0.00	21,429.29
Adjusted number of dwellings		146.18	49,640.47	15,881.54	15,578.72	8,926.10	3,355.91	1,134.31	622.98	21.00	95,307.21
Prescribed Proportions for each Band	Item F	5	6	7	8	9	11	13	15	18	
Prescribed Proportion for Band D	Item G	9	9	9	9	9	9	9	9	9	
Adjusted number of dwellings*(F/G)	Item A	81.21	33,093.65	12,352.31	13,847.75	8,926.10	4,101.67	1,638.45	1,038.30	42.00	75,121.44
Estimated Collection Rate	Item B	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Tax Base A*B		79.58	32,431.78	12,105.26	13,570.79	8,747.58	4,019.64	1,605.68	1,017.53	41.16	73,619.00
Council Tax Base - Hetton Town Council											
		Disabled Band (A)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Chargeable Dwellings	Item H	11.00	4,667.00	1,444.00	717.00	414.00	126.00	55.00	25.00	1.00	7,460.00
Total Discount	Item Q	(2.00)	(582.15)	(125.00)	(43.50)	(23.50)	(7.75)	(4.25)	(2.00)	0.00	(790.15)
Premium Factor	Item E	0	53	5	1	4	0	2	0	1	66
Adjustment in number of dwellings or discounts	Item J	0	0	31	16	23	9	1	0	0	80
Council Tax Support Estimate	Item Z	(2.63)	(1,134.49)	(79.51)	(23.69)	(10.69)	(2.01)	0.00	0.00	0.00	(1,253.02)
Adjusted number of dwellings		6.37	3,003.36	1,275.49	666.81	406.81	125.24	53.75	23.00	2.00	5,562.83
Prescribed Proportions for each Band	Item F	5	6	7	8	9	11	13	15	18	
Prescribed Proportion for Band D	Item G	9	9	9	9	9	9	9	9	9	
Adjusted number of dwellings*(F/G)	Item A	3.54	2,002.24	992.05	592.72	406.81	153.07	77.64	38.33	4.00	4,270.40
Estimated Collection Rate	Item B	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Tax Base A*B		3.47	1,962.20	972.21	580.87	398.67	150.01	76.09	37.56	3.92	4,185.00