

<b>REPORT TO:</b>	<b>Corporate Director of Resources – Jane West</b>
<b>SUBJECT:</b>	<b>Calculation of the Council Tax Base 2024-25, and Determination of the 2023-24 Collection Fund Deficit for Council Tax</b>
<b>LEAD OFFICER:</b>	<b>Andrew Lord – Interim Finance Consultant</b>

## 1. Recommendations

- 1.1 Note that the Council Tax Support scheme is not changed from that agreed by Full Council resolution on 1<sup>st</sup> March 2023.

### Delegated Approval

- 1.2 By the delegation granted to the appointed S151 Officer by the Corporate Services Committee on 7<sup>th</sup> January 2024, I determine that the 2024-25 Council Tax Base for the London Borough of Croydon be **137,040.4 Band D equivalent properties**.
- 1.3 That the forecast Council Tax Collection Fund surplus for the financial year 2023-4 is estimated to be **£2,230,000** – of which the Council's share is **£1,797,713**.

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Jane West  
Corporate Director of Resources (section 151 officer)

Dated 31 January 2024

## 2. Purpose of Report and Executive Summary

- 2.1 Section 33 of the Local Government Finance Act (2012) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require the Council as the Billing Authority to calculate a Council Tax Base for its area after 30<sup>th</sup> November and before 31<sup>st</sup> January in the previous financial year and duly notify precepting authorities (the GLA) within the same timescales.
- 2.2 In calculating the tax base regard is given to the number of hereditaments (properties) existing on the taxbase at the time of determination; anticipated future changes over the course of the remaining current financial year and throughout the future financial year; impact of discounts and exemptions (either nationally determined or locally set); premia (as relating to long-term

- empty hereditaments); anticipated collection rates; and prescribed proportions of property for each Council Tax Band in relation to a standard Band D charge.
- 2.3 The annual determination of the taxbase is an “*estimate*” for the forthcoming financial year. The actual sum collected is accounted for within the Collection Fund with adjustments made to subsequent budgets for an in-year surplus, or deficit, against the ‘estimated’ taxbase.
  - 2.4 The calculations set out in the body of this report estimate a council tax base of **137,040.4 Band D equivalent** properties for 2024-25. This is a decrease of 190.5 Band D equivalents over that approved for 2023-24 and, at the £1,805.42 Band D charge approved by Croydon Council, for 2023-24, represents an adverse **movement against base budget of £0.344m** (this being prior to a Council decision on setting the 2024-25 Band D charge).
  - 2.5 The detailed tax base calculation is shown by component and individual banding in Appendix 1. The calculation is based on data provided by Croydon to the Department for Levelling-Up, Housing and Communities in the October 2023 CTB1 return with an allowance made for an increase of 2,087 in the number of new dwellings (1,798 Band D equivalents) compared to 2023-24. The underlying increase in the number of new Band D equivalents is 1.06% compared to an average increase of 1.12% for the past 5 years.
  - 2.6 Local Council Tax Support Scheme (LCTS) discounts of 17,579 are modelled for 2024-25 compared to 16,393 in 2023-24. This increase is based on trend data to the end of November 2023 and assumes that the rate of increase will reduce by 50% for the remainder of 2023-24 and for 2024-25. The income foregone, based on Band D equivalents, from the increase in LCTS discounts is estimated at £1.900m. Within this movement the caseload for the disabled not working category has increased by 554 from April 2022 to November 2023. This is of particular significance as this group of claimants are entitled to the most CTS, their average weekly CTS entitlement is £33.02 compared to £13.42 per week for income banded claimants.
  - 2.7 An estimated 2,747 dwellings are forecast to be exempt from paying council tax in 2024-25. This is an increase of 672 dwellings (32%) compared to 2023-24 and equates to an additional income loss of £1.116m. The increase is based on current data. The main causes for the upturn are an increase in exemptions applicable for students and an allowance for new exemptions regarding the new Croydon Enclave development.
  - 2.9 The Levelling-Up and Regeneration Act 2023 is enabling councils to encourage owners to bring empty properties back into use as well as raise

and retain revenue to support local services and keep Council tax down for residents. As part of the Act a local authority can, from 2024-25 onwards, charge a 100% premium on dwellings that have been unoccupied, and substantially furnished, for a period of at least 1 year. This is a reduction from the current 2- year period. Full Council will approve the necessary determination to make this change for Croydon and allowance is made within the 2024-25 Council Tax Base for a charge to 141 dwellings. The estimated additional income is £0.258m

2.10 The forecast council tax collection rate is budgeted to remain at 97.5%. This is based on current year performance and takes account of the decision, 25<sup>th</sup> October 2023 Cabinet, to reinstate the council tax recovery process for residents in receipt of council tax support.

2.11 A summary of the movement in the forecast 2024-25 tax base is set out below. The movement is based on Band D equivalents:

	Band D Equivalents
<b>2023-24 Council Tax Base</b>	<b>137,230.9</b>
Allowance for new dwellings	+1,798
Increase in Local Council Tax Support Discounts	-1,052.5
Increase in exemptions	-618.0
Other movements including Single Persons Discount	-461.0
Reduction in the 100% empty home premium to one year from 2 years.	+143.0
<b>2024-25 Council Tax Base</b>	<b>137,040.4</b>

Prior Year Collection Fund Surplus

2.9 The Local Government and Finance Act 1988 requires that all council tax income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept and a contribution towards the Council's own General Fund. Subsequent budget adjustments are made should the actual sum paid into the Collection Fund be more, or less, than the originally approved tax base.

2.10 For 2024-25 the net impact of the expected prior year adjustments is an estimated £2,230,000, of which the Croydon share is £1,797,713. This reflects the actual surplus at the close of 2022-23 with a breakeven position forecast

for the current year. This sum will be taken account of within the Council's proposed 2024-25 Budget.

**Appendix 1 – Council Tax Base for 2024-25**

2024/25 Council Tax Base	Disabled (no.)	Band A (no.)	Band B (no.)	Band C (no.)	Band D (no.)	Band E (no.)	Band F (no.)	Band G (no.)	Band H (no.)	Total (no.)
Dwellings as per CTB1	0	4,262	23,906	52,147	41,816	23,959	11,769	7,493	655	166,007
Allowance for new dwellings at 1.185%	0	509	513	557	322	151	13	14	8	2,087
Less Exemptions	0	-180	-538	-876	-553	-396	-128	-66	-10	-2,747
<b>Chargeable Dwellings</b>	<b>0</b>	<b>4,591</b>	<b>23,881</b>	<b>51,828</b>	<b>41,585</b>	<b>23,714</b>	<b>11,654</b>	<b>7,441</b>	<b>653</b>	<b>165,347</b>
Disabled Adjustments (Net)	1	23	129	107	11	-104	-39	-99	-29	0
Single-Person Discounts (25%)	0	-607	-3,276	-4,944	-2,678	-1,216	-499	-268	-13	-13,502
Other Discounts (50%)	0	-1	-6	-17	-19	-14	-15	-23	-11	-104
Family Annexe Discount	0	-4	-1	0	0	0	0	0	0	-5
Empty Dwellings 100% Premium	0	17	65	94	60	21	9	15	2	283
Empty Dwellings 100% Premium		5	23	36	40	23	9	5	0	141
Empty dwellings 200% Premium		8	50	50	34	8	8	4	0	162
Empty dwellings 300% Premium		6	18	21	51	9	0	3	0	108
Local C/Tax Reduction Scheme	0	-940	-4,874	-6,511	-3,745	-1,142	-262	-103	-2	-17,579
<b>Net Chargeable Dwellings</b>	<b>1</b>	<b>3,099</b>	<b>16,009</b>	<b>40,664</b>	<b>35,338</b>	<b>21,299</b>	<b>10,865</b>	<b>6,975</b>	<b>600</b>	<b>134,851</b>
<b>Band D Equivalent</b>	<b>1</b>	<b>2,066</b>	<b>12,451</b>	<b>36,146</b>	<b>35,338</b>	<b>26,032</b>	<b>15,694</b>	<b>11,626</b>	<b>1,201</b>	<b>140,554</b>
Collection Rate										0.975
Current taxbase forecast										<b>137,040.4</b>

