Member Report
Council Tax Base 2025/26 and the Council Tax Collection Fund Position 2024/25

Report to: Cabinet.

Report from: John Sampson – Managing Director

Portfolio: Resources

Report Date: 10 December 2024

Decision Type: Key – Budget

Forward Plan Reference: RD0127

Council Priority: All

HEADLINE POSITION

1.0 Summary of report

1.1 This report sets out the Council's council tax base for the financial year 2025/26 and the estimated forecast outturn position for the council tax accounts 2024/25. This is a statutory requirement, and the information used within this report is an integral step in the budget setting process. If the council tax base is not set within the prescribed timescale, the Council is not complying with regulation and will also jeopardise the budget setting of the other bodies involved who need this information from us so that they can set their own level of precept.

2.0 Recommendation

It is recommended that Cabinet:

- Approve the tax base for 2025/26 for the Council, calculated as being the relevant gross and net amounts, after a 1.25% allowance for non-collection, property movement, and the notification and levying of additional premiums as analysed by parish and non-parish areas set out below and detailed in Appendix 1.

Area	Gross Tax Base	Net Tax Base
Non-Parish	36,470.0	21,146.3
Saltburn & Marske	9,185.0	6,488.6
Skelton & Brotton	6,144.0	3,912.3
Loftus	3,999.0	2,240.8
Lockwood	1,709.0	957.9
Guisborough	9.039.0	6,969.0
Total Borough	**66,546.0**	**41,714.9**

- Approve the Council's share of the forecast surplus on the collection fund for council tax purposes of £0.207 million for the financial year 2024/25.

- Approve notification to the Cleveland Police & Crime Panel and Cleveland Fire Authority of the tax base for 2025/26 and of their share of the forecasted surplus for 2024/25.

DETAILED PROPOSALS

3.0 What are the objectives of the report and how do they link to the Council's priorities.

Strong financial governance is the foundation of the Council's ability to deliver the Corporate Plan. Effective financial management of the budget aids the delivery of the Council's key priorities and objectives as stated in the Corporate Plan.

The approval of the council tax base is a key decision for funding the Council's Medium-Term Financial Strategy. The Strategy will ensure that appropriate financial resources are provided to fund delivery of the agreed Corporate Plan priorities. The detail in this report will update the Strategy to be approved by Full Council on 27 February 2025.

4.0 What options have been considered.

4.1 The council tax base is the total number of dwellings in the Borough, broken down for each council tax valuation band, converted into a Band D equivalent after the following adjustments are applied:

- Single person discounts for single adult property occupation and for certain adults that can be discounted for specific council tax reasons.
- Adjustments in respect of exemptions and the application of our local council tax support scheme.
- Inclusion of additional premiums for empty properties and second homes.

4.2 The Council Tax Base Return (CTB), is based on a count of domestic properties in September each year and these are then converted for Council Tax purposes into Band D equivalents. The Government's Valuations Office (VOA) 2023 property count (last year) was a base of 66,223 properties, which then converted into 54,183.6 Band D equivalent properties – the 2024 property count is now 66,546 properties and this report now converts these into a Band D equivalent of 54,493.5. The data from the VOA differs from the actual recorded housing growth due to the VOA capturing properties that may be taken out of rating due to undergoing substantial renovations and timing differences; so sometimes it does not correlate to locally monitored data. Actual delivery on the ground in the Borough is a net provision of 471 new dwellings which shows property growth for the period; this property growth can be compared to the 2018 Local Plan estimate for property growth of 234 and also against the new Government target of 642.

4.3 The adjusted council tax base after taking account of discounts, exemptions, premiums and council tax support is 42,242.9 Band D equivalents. For budget setting purposes, the Band D equivalent is adjusted for the estimated collection rate. The collection rate considers in-year changes to the base highlighted in section 4.5 and a recognition that all liabilities won't be collectable, therefore

requiring a contribution to the bad debt provision to ensure it remains at a prudent level. The estimated collection rate for 2025/26 is 98.75% which gives a net Band D equivalent of 41,714.9 properties. Full information of the council tax base calculation is included in the tables at Appendix 1.

4.4 The 2025/26 Band D equivalent net tax base of 41,714.9 is an increase of 582.9 properties, compared to the 2024/25 figure of 41,132.0. This increase is due in the main to property growth and implementation of premiums for council tax on long-term empty properties and periodically occupied properties (second homes). This is as per the recommendation in the 2024/25 budget report approved in February 2024.

4.5

Council Tax Base Movement	**Band D equivalents**		**Change**
	2024/25 CTB (Based on Sept 2023 data)	**2025/26 CTB (Based on Sept 2024 data)**	**+/(-)**
Property growth	54,183.6	54,493.5	309.9
Exemptions	(1,014.5)	(1,039.0)	(24.5)
Disabled reductions	(83.8)	(89.1)	(5.3)
Discounts	(5,217.2)	(5,249.8)	(32.6)
Premiums	216.2	534.8	318.6
Council tax support	(6,431.6)	(6,407.5)	24.1
Non-collection adjustment	(520.7)	(528.0)	(7.3)
TOTAL	**41,132.0**	**41,714.9**	**582.9**

4.6 The forecasted growth in the council tax base within the medium-term financial update presented to Cabinet in February 2024 was 577.7. There has been actual growth in the Borough of 582.9 properties, resulting in additional net growth of 5.2 Band D equivalent properties.

4.7 The Council is also required to estimate the surplus/deficit, in relation to the 2024/25 in-year collection rates for council tax with a requirement for the two major precepting bodies to be notified of their estimated share by mid-January 2025.

4.8 Appendix 2 sets out the individual components involved in estimating the surplus on the Fund at the end of this financial year. It is estimated that the Collection Fund will have a surplus of £0.250 million and is allocated accordingly:

4.9

Authority	Proportion %*	Amount
Redcar & Cleveland Council	82.85	£207,324
Cleveland Police & Crime Panel	13.25	£33,147
Cleveland Fire Authority	3.90	£9,763
Total	**100.00**	**£250,234**

***Percentages rounded for presentation purposes**

4.10 The £0.250 million surplus is broken down as follows:

- £0.555 million deficit relating to 2023/24 due to the deficit being higher than anticipated.
- £0.805 million for the estimated surplus in 2024/25. This is due to a lower top up required to the bad debt provision than anticipated and growth in the base coming through (table at 4.5) prior to this being factored into the budget set for 2025/26.

4.11 The Council's allocated surplus of £0.207 million is then factored into the overall calculation of the 2025/26 council tax requirement, which forms part of the budget setting process.

5.0 Impact Assessment

5.1 Climate Emergency – None

5.2 Health and Safety – The council tax base is a key factor in the overall revenue budget which will fund our Health and Safety Needs.

5.3 Social Value – None

5.4 Legal – There is a statutory requirement to set a balanced budget for the local authority each year. The setting of the council tax base is one of the integral steps in this process. If the council tax base is not set within the prescribed timescale, the Council is not complying with regulation and will also jeopardise the budget setting of the other bodies involved who need this information from us so that they can set their own level of precept.

5.5 Financial – The financial implications are set out in detail in the main body of the report and will influence a refresh of the assumptions for the medium-term financial strategy, which will be reported in the Budget Proposals report in December 2024.

5.6 Human Resources – None

6.0 Implementation Plan

6.1 Timetable for Implementing Decision:

The impact of both the council tax base and the surplus will be incorporated into the updated Medium Term Financial Strategy which will be reported to Cabinet and Council in February 2025.

6.2 Lead Officer: Phil Winstanley – Director of Finance (Section 151 Officer)

6.3 Reporting Progress: As per the timetable for implementation above.

6.4 Communications Plan: As per the timetable for implementation above.

7.0 Consultation and Engagement

This is a factual information-based report that has been discussed with a range of professional teams across the Council to identify reasons for any change between financial years and whether this is in line with expectations. Key assumptions around income, debt write offs, and the level of the bad debt provision are also fully considered.

8.0 Appendices and Background Papers

Appendix 1 – Redcar & Cleveland Borough Council Tax Base tables for 2025/26
Appendix 2 – Forecast outturn position for the Collection Fund for 2024/25

9.0 Contact Officer

9.1 Name: Phil Winstanley
9.2 Position: Assistant Director – Finance (Section 151 Officer)
9.3 Email address: Philip.winstanley@redcar-cleveland.gov.uk

Apppendix 1

Council Tax Table – All Areas

REDCAR AND CLEVELAND ALL AREAS

Dwellings on Valuation List	Band A (D)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total number of dwellings	-	26,798.00	13,791.00	14,781.00	6,059.00	3,597.00	1,065.00	422.00	33.00	66,546.00
Non Chargeable dwellings	-	689.00	263.00	253.00	68.00	39.00	17.00	6.00	-	1,335.00
Chargeable dwellings	-	26,109.00	13,528.00	14,528.00	5,991.00	3,558.00	1,048.00	416.00	33.00	65,211.00
Disabled reductions	-	162.00	140.00	165.00	109.00	53.00	23.00	16.00	14.00	682.00
Effectively chargeable	162.00	140.00	165.00	109.00	53.00	23.00	16.00	14.00	-	682.00
Adjusted chargeable dwellings	162.00	26,087.00	13,553.00	14,472.00	5,935.00	3,528.00	1,041.00	414.00	19.00	65,211.00
Entitled to 25% discount	15.25	3,536.25	1,403.50	1,194.00	365.00	162.25	44.00	16.00	0.50	6,736.75
										-
Entitled to 50% discount	1.00	16.50	12.50	10.00	7.00	3.00	9.00	9.50	3.00	71.50
Annex Discount	-	1.00	-	-	-	-	-	-	-	1.00
Properties subject to premium charge	-	393.40	153.40	98.90	32.60	18.20	2.00	3.60	0.80	702.90
Council tax support adjustment	57.52	6,474.20	1,511.78	733.50	158.88	44.47	11.51	0.95	-	8,992.81
Adjusted dwellings	88.23	16,452.45	10,778.62	12,633.40	5,436.72	3,336.48	978.49	391.15	16.30	50,111.84
Band D equivalents	49.00	10,968.30	8,383.30	11,229.70	5,436.70	4,077.90	1,413.40	652.00	32.60	42,242.90
Non collection adjustment 1.25%										528.00
									-	
Tax base										41,714.90

Apppendix 1

Council Tax Table – Non-Parish

NON PARISH AREAS Dwellings on Valuation List	Band A (D)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total number of dwellings	-	16,958.00	7,670.00	7,715.00	2,610.00	1,064.00	349.00	90.00	14.00	36,470.00
Non Chargeable dwellings	-	445.00	164.00	119.00	32.00	8.00	7.00	-	-	775.00
Chargeable dwellings	-	16,513.00	7,506.00	7,596.00	2,578.00	1,056.00	342.00	90.00	14.00	35,695.00
Disabled reductions	-	103.00	96.00	89.00	55.00	24.00	9.00	5.00	7.00	388.00
Effectively chargeable	106.00	96.00	89.00	55.00	24.00	9.00	5.00	7.00	-	391.00
Adjusted chargeable dwellings	106.00	16,506.00	7,499.00	7,562.00	2,547.00	1,041.00	338.00	92.00	7.00	35,698.00
Entitled to 25% discount	9.75	2,228.50	764.25	623.75	151.75	43.50	15.00	2.75	-	3,839.25
Entitled to 50% discount	0.50	8.50	6.00	4.00	4.00	2.50	3.50	5.00	2.00	36.00
Annex discount	-	-	-	-	-	-	-	-	-	-
Properties subject to premium charge	-	192.20	55.20	32.70	13.80	4.40	1.00	0.80	0.80	300.90
Council tax support adjustment	34.85	4,242.55	867.67	402.91	78.53	16.39	8.88	0.00	0.00	5,651.8
Adjusted dwellings	60.90	10,218.65	5,916.28	6,564.04	2,326.52	983.01	311.62	85.05	5.80	26,471.87
Band D equivalents	33.80	6,812.40	4,601.50	5,834.70	2,326.50	1,201.50	450.10	141.80	11.60	21,413.90
Non collection adjustment 1.25%										267.60
Tax base										21,146.30

Apppendix 1

Council Tax Table – Saltburn and Marske

SALTBURN AND MARSKE

Dwellings on Valuation List	Band A (D)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total number of dwellings	-	1,980.00	2,281.00	2,916.00	1,080.00	662.00	185.00	77.00	4.00	9,185.00
Non Chargeable dwellings	-	44.00	43.00	57.00	14.00	8.00	2.00	-	-	168.00
Chargeable dwellings	-	1,936.00	2,238.00	2,859.00	1,066.00	654.00	183.00	77.00	4.00	9,017.00
Disabled reductions	-	5.00	20.00	30.00	14.00	10.00	7.00	2.00	3.00	91.00
Effectively chargeable	5.00	20.00	30.00	14.00	10.00	7.00	2.00	3.00	-	91.00
Adjusted chargeable dwellings	5.00	1,951.00	2,248.00	2,843.00	1,062.00	651.00	178.00	78.00	1.00	9,017.00
Entitled to 25% discount	0.25	293.50	249.50	243.50	68.50	32.00	6.75	3.25	-	897.25
Entitled to 50% discount	-	2.00	3.00	1.50	1.50	-	2.00	1.50	-	11.50
Premium properties		50.20	50.00	30.80	9.60	7.40	-	0.80	-	148.80
Council Tax support	1.94	433.75	245.97	133.82	19.29	8.77	1.21	0.95	-	845.70
Adjusted dwellings	2.81	1,271.95	1,799.53	2,494.98	982.31	617.63	168.04	73.10	1.00	7,411.35
Band D equivalents	1.60	848.00	1,399.60	2,217.80	982.30	754.90	242.70	121.80	2.00	6,570.70
Non collection adjustment 1.25%										82.10
Tax base										6,488.60

Apppendix 1

Council Tax Table – Skelton and Brotton

SKELTON AND BROTTON

Dwellings on Valuation List	Band A (D)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total number of dwellings	-	2,345.00	1,482.00	1,207.00	771.00	270.00	51.00	16.00	2.00	6,144.00
Non Chargeable dwellings	-	58.00	17.00	23.00	3.00	1.00	1.00	1.00	-	104.00
Chargeable dwellings	-	2,287.00	1,465.00	1,184.00	768.00	269.00	50.00	15.00	2.00	6,040.00
Disabled reductions	-	20.00	12.00	15.00	17.00	3.00	-	1.00	-	68.00
Effectively chargeable	20.00	12.00	15.00	17.00	3.00	-	1.00	-	-	68.00
Adjusted chargeable dwellings	20.00	2,279.00	1,468.00	1,186.00	754.00	266.00	51.00	14.00	2.00	6,040.00
Entitled to 25% discount	2.00	304.75	138.50	84.25	33.00	5.50	1.75	0.25	-	570.00
Entitled to 50% discount	0.50	3.00	1.00	1.50	0.50	-	0.50	0.50	0.50	8.00
Premium properties		30.60	12.80	4.60	1.60	0.80	-	2.00	-	52.40
Council Tax support	8.17	563.19	135.92	52.05	13.57	2.03	-	-	-	774.93
Adjusted dwellings	9.33	1,438.66	1,205.38	1,052.80	708.53	259.27	48.75	15.25	1.50	4,739.47
Band D equivalents	5.20	959.10	937.50	935.80	708.50	316.90	70.40	25.40	3.00	3,961.80
Non collection adjustment 1.25%										49.50
Tax base										3,912.30

Apppendix 1

Council Tax Table – Loftus

LOFTUS TOWN COUNCIL

Dwellings on Valuation List	Band A (D)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total number of dwellings	-	2,557.00	600.00	448.00	249.00	100.00	36.00	9.00	-	3,999.00
Non Chargeable dwellings	-	61.00	9.00	6.00	3.00	2.00	-	-	-	81.00
Chargeable dwellings	-	2,496.00	591.00	442.00	246.00	98.00	36.00	9.00	-	3,918.00
Disabled reductions	-	13.00	3.00	5.00	6.00	1.00	1.00	-	-	29.00
Effectively chargeable	13.00	3.00	5.00	6.00	1.00	1.00	-	-	-	29.00
Adjusted chargeable dwellings	13.00	2,486.00	593.00	443.00	241.00	98.00	35.00	9.00	-	3,918.00
Entitled to 25% discount	1.00	298.25	58.25	32.50	15.00	4.00	1.75	0.50	-	411.25
Entitled to 50% discount	-	1.00	0.50	1.00	0.50	0.50	1.00	0.50	-	5.00
Annex Discount	-	0.50	-	-	-	-	-	-	-	0.50
Premium properties	-	80.60	10.40	7.60	3.40	-	1.00	-	-	103.00
Council Tax support	2.77	528.09	70.92	29.00	11.15	1.51	-	-	-	643.44
Adjusted dwellings	9.23	1,738.76	473.73	388.10	217.75	91.99	33.25	8.00	-	2,960.81
Band D equivalents	5.10	1,159.20	368.50	345.00	217.80	112.40	48.00	13.30	-	2,269.30
Non collection adjustment 1.25%										28.50
Tax base										2,240.80

Apppendix 1

Council Tax Table – Lockwood

LOCKWOOD PARISH COUNCIL

Dwellings on Valuation List	Band A (D)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
Total number of dwellings	-	1,045.00	209.00	266.00	105.00	53.00	23.00	8.00	-	1,709.00
Non Chargeable dwellings	-	26.00	3.00	5.00	-	1.00	-	-	-	35.00
Chargeable dwellings	-	1,019.00	206.00	261.00	105.00	52.00	23.00	8.00	-	1,674.00
Disabled reductions	-	7.00	-	3.00	-	2.00	-	1.00	-	13.00
Effectively chargeable	7.00	-	3.00	-	2.00	-	1.00	-	-	13.00
Adjusted chargeable dwellings	7.00	1,012.00	209.00	258.00	107.00	50.00	24.00	7.00	-	1,674.00
Entitled to 25% discount	0.50	135.00	20.25	18.75	7.00	2.25	0.50	0.50	-	184.75
Entitled to 50% discount	-	-	1.00	-	-	-	0.50	-	-	1.50
Premium properties	-	13.80	1.80	6.20	-	-	-	-	-	21.80
Council Tax support	3.07	252.09	19.65	6.91	3.00	1.00	-	-	-	285.72
Adjusted dwellings	3.43	638.71	169.90	238.54	97.00	46.75	23.00	6.50	-	1,223.83
Band D equivalents	1.90	425.80	132.10	212.00	97.00	57.10	33.30	10.80	-	970.00
Non collection adjustment 1.25%										12.10
Tax base										957.90

Apppendix 1

Council Tax Table – Guisborough

GUISBOROUGH TOWN COUNCIL

Dwellings on Valuation List	Band A (D)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total number of dwellings	-	1,913.00	1,549.00	2,229.00	1,244.00	1,448.00	421.00	222.00	13.00	9,039.00
Non Chargeable dwellings	-	55.00	27.00	43.00	16.00	19.00	7.00	5.00	-	172.00
Chargeable dwellings	-	1,858.00	1,522.00	2,186.00	1,228.00	1,429.00	414.00	217.00	13.00	8,867.00
Disabled reductions	-	14.00	9.00	23.00	17.00	13.00	6.00	7.00	4.00	93.00
Effectively chargeable	11.00	9.00	23.00	17.00	13.00	6.00	7.00	4.00	-	90.00
Adjusted chargeable dwellings	11.00	1,853.00	1,536.00	2,180.00	1,224.00	1,422.00	415.00	214.00	9.00	8,864.00
Entitled to 25% discount	1.75	276.25	172.75	191.25	89.75	75.00	18.25	8.75	0.50	834.25
Entitled to 50% discount	-	2.00	1.00	2.00	0.50	-	1.50	2.00	0.50	9.50
Annex discount	-	0.50	-	-	-	-	-	-	-	0.50
Premium properties		26.00	23.20	17.00	4.20	5.60	-	-	-	76.00
Council Tax support	6.72	454.53	171.65	108.81	33.34	14.77	1.42	-	-	791.24
Adjusted dwellings	2.53	1,145.72	1,213.80	1,894.94	1,104.61	1,337.83	393.83	203.25	8.00	7,304.51
Band D equivalents	1.40	763.80	944.10	1,684.40	1,104.60	1,635.10	568.90	338.90	16.00	7,057.20
Non collection adjustment 1.25%										88.20
Tax base										6,969.00

Collection Fund 2024/25 – (Surplus) or Deficit for Council Tax Income

Appendix 2

Council Tax Accounts	**2024/25**	**2023/24**
	£000's	**£000's**
(Surplus)/Deficit carried forward at 1/4	1,596	2,029
Income		
Council tax income receivable	(96,660)	(91,200)
Transfer from General Fund for discounts	-	(229)
Expenditure		
Precepts:		
Redcar & Cleveland Borough Council	78,803	74,243
Cleveland Police & Crime Panel	12,493	11,835
Cleveland Fire Authority	3,680	3,536
Apportionment of previous year's surplus/(deficit):		
Redcar & Cleveland Borough Council	(862)	(1,301)
Cleveland Police & Crime Panel	-137	(204)
Cleveland Fire Authority	-41	(61)
Contribution to / (from) bad debts provision	879	2,393
Estimated (Surplus)/Deficit	(250)	1,041

Apportionment of Surplus/Deficit:	**2024/25**	**2023/24**
	£00's	**£000's**
Redcar & Cleveland Borough Council	(207)	862
Cleveland Police & Crime Panel	(33)	138
Cleveland Fire Authority	(10)	41