

**STOCKPORT BILLING AREA - 2024/25 COUNCIL TAX TAXBASE AND  
BUSINESS RATES (NON-DOMESTIC RATES) FORECAST**

Report of the Deputy Chief Executive

**1. INTRODUCTION AND PURPOSE OF REPORT**

1.1 The purpose of this report is to:

- Present the Collection Fund outturn forecasts for 2023/24 in relation to Council Tax and Business Rates;
- Set the Council Tax Taxbase for 2024/25;
- Present a forecast for Business Rates income for 2024/25; and
- Provide an update on the pooling of Business Rates income with the Greater Manchester Authorities.
- Provide an update on future developments concerning Business Rates and Council Tax.

**2. 2023/24 COLLECTION FUND POSITION**

**Council Tax**

2.1 The Collection Fund Council Tax forecast outturn for 2023/24 is a surplus of £0.902m with the Council's share of the surplus/deficit being £0.760m. As required by Collection Fund accounting legislation, the surplus position will be declared (subject to delegation at paragraph 2.10) to inform the Council's 2024/25 budget setting process and MTFP.

**Table 1 – Council Tax 2023/24 Forecast Outturn**

	Requirement	Forecast Outturn	Council Tax Hardship Fund	Variance
	£000s	£000s	£000s	£000s
SMBC Council Tax Income	183,695	184,024	(431)	(760)
MPCC Precept*	23,730	23,772	(56)	(98)
MGFS Precept**	10,529	10,548	(25)	(44)
<b>Total Surplus</b>	<b>217,954</b>	<b>218,344</b>	<b>(512)</b>	<b>(902)</b>

\*Mayoral Police and Crime Commissioner (MPCC)

\*\*Mayoral General (including Fire Services) (MGFS)

2.2 For 2023/24, Government provided a discretionary Council Tax Support Fund in recognition that Council Tax increases need to be set by councils to balance their 2023/24 budgets would impact on some residents who may struggle to meet payments due. During the year the fund has been used to support residents in receipt of Local Council Tax Support and provide discretionary support to residents experiencing financial hardship. This has resulted in Council Tax income forgone due to the support provided of £0.512m, which the Council's grant funding allocation has been used to offset. It is noted that the forecast outturn position above assumes the full allocation of the Council Tax Support Fund by year end.

2.3 Recognising the impact of the cost-of-living crisis on residents the Council supplemented the above with a Council discretionary hardship support fund of £0.385m. To fund the Council Tax income forgone £0.385m of the declared 2022/23 surplus (released to the General Fund in 2023/24) was approved to be set aside in the Collection Fund reserve at year end. It is proposed in the Business Rates and Council Tax Discount Annual Review report presented elsewhere on the agenda that the level of the Council's Council Tax discretionary hardship support fund for 2024/25 is again set at £0.385m. This will be used during the year to support residents who are experiencing financial hardship. Given the 2023/24 forecast outturn position it is proposed that the £0.385m already set aside in the Collection Fund reserve is not released at year end and held to underwrite Council Tax income forgone due to the discretionary hardship support fund.

### Business Rates

2.4 The Collection Fund Business Rates forecast outturn for 2023/24 is a surplus of £3.767m with the Council's share of the surplus being £3.729m. As required by Collection Fund accounting, the surplus position will be declared (subject to delegation at paragraph 2.10) to inform the Council's 2024/25 budget setting process and MTFP.

**Table 2 – Business Rates 2023/24 Forecast Outturn**

	2023/24 NDR1	Forecast Outturn	Variance
	£000s	£000s	£000s
SMBC Business Rates Income	88,602	92,331	(3,729)
MGFS Business Rates Income	895	933	(38)
<b>Total Surplus</b>	<b>89,497</b>	<b>93,264</b>	<b>(3,767)</b>

### General Fund Section 31 Grants in Lieu of Business Rates

2.5 Mandatory Business Rate reliefs are funded by Section 31 grants paid by Government into the Council's General Fund. These grants are paid to the Council to compensate for the loss of Business Rates income as a result of the reliefs given to businesses.

2.6 The Council receives its Section 31 grant allocation from Government on an 'on account basis in line with the Council's NNDR1 (Business Rates budget) and NNDR3 (Business Rates outturn) returns. Any over/underpayment made by Government (compared to the actual reliefs given to businesses during the financial year) is rectified by an adjusting payment/receipt in the following financial year.

2.7 In-year monitoring indicates that the actual number of reliefs given to businesses during the year are less than the current level of Section 31 grants received by the Council to compensate for the loss of Business Rates income. This will result in a balancing Section 31 Grant payment being paid to the Government by the Council in 2024/25. A balancing payment of circa £0.358m will be accrued as part of the Council's 2023/24 year-end process to account for this. However, it should be noted that this position may change prior to year-end due to changes across the business demographics and their eligibility for Business

Rates relief. The Section 31 grants received will create a deficit against the budgeted Section 31 grants in the General Fund in 2023/24 and

- 2.8 Due to timing differences between budget setting and the NNDR1 return, the Section 31 grants included on the 2023/24 NNDR1 that the Government in-year payments are based on are lower than the budgeted Section 31 grants for the year. The £0.298m shortfall of Section 31 grants received compared to budget will be smoothed using the collection fund reserve at year-end. It is recommended that £0.298m of the 2024/25 declared surplus position is used to replenish the use of the reserve.

### Overall 2023/24 Collection Fund Position

- 2.9 The Council's 2023/24 forecast outturn position for the Collection Fund is a net surplus of £4.669m and the Council's share of the net surplus is £4.489m. As required by Collection Fund accounting legislation, the net surplus position will be declared (subject to delegation at paragraph 2.10) and released to the Council's General Fund in 2024/25. The surplus will be considered as part of the Council's 2024/25 budget setting process and MTFP robustness in the context of increasing budget pressures linked to price inflation, pay inflation particularly relating to recent Real Living Wage increase, high interest rates impacting the Council's borrowing costs and increasing demand for services.
- 2.10 Given the volatility of the Collection Fund forecasts which continue to be uncertain, it is recommended that these forecasts are closely monitored. Collection Fund accounting legislation requires the Council to make its final declaration of the Collection Fund forecast outturn position by 31 January each year to inform the Council and preceptors budget setting processes. On this basis, it is recommended that delegation is given to the Deputy Chief Executive in consultation with the Cabinet Member for Finance and Resources to update the declared Collection Fund forecast up to this date.

### Collection Fund 2022/23 Carry Forward Position

- 2.11 In line with the statutory accounting requirements for the Collection Fund, the difference between the declared (estimated) outturn position for 2022/23 and the actual outturn position for 2022/23 needs to be distributed (if a surplus) or reimbursed (if a deficit) in the position declared for 2023/24.
- 2.12 The table below shows the amount of surplus to be distributed in 2024/25.

**Table 5 – Collection Fund 2022/23 Carry Forward Position**

	Declared (Surplus)/Deficit 2022/23 £000s	Outturn (Surplus)/Deficit 2022/23 £000s	(Distributed)/ Reimbursed £000s
SMBC	4,965	9,736	(4,771)
MPCC Precept	35	236	(201)
MGFS Precept	63	184	(121)
<b>Total Surplus</b>	<b>5,063</b>	<b>10,156</b>	<b>(5,093)</b>

- 2.13 The Council's share of the Collection Fund carry forward balance of £4.771m is required to be distributed to the Council's General Fund in 2024/25. The MTFP Update report presented to the Cabinet meeting in September included £3.860m

of available resource to support the Council's MTFP. The balance of £1.233m is required to replenish the Collection Fund reserve, having used it to smooth the timing of resources being released from the Collection Fund into the General Fund in 2022/23.

### **Greater Manchester 100% Business Rates Retention Pilot**

- 2.14 In the Greater Manchester 100% Business Rates Retention pilot, the Council retains 100% of its Business Rates income to support the funding of Council services whilst foregoing grants determined in the Local Government finance report. In 2023/24, as per previous years in the pilot, the Council has foregone the Revenue Support Grant and Public Health funding.
- 2.15 The Pilot benefit is calculated based on the forecast Business Rates outturn position under the 100% scheme compared to what the forecast Business Rates outturn position that would have been under the 50% scheme. It should be noted that this is a different calculation to the calculation of the in-year position presented above.
- 2.16 The Council is working with colleagues across the Greater Manchester Authorities to monitor the expected benefit of the Pilot. In year monitoring of the 100% Retention Pilot forecasts that the Greater Manchester region expect to benefit from the 2023/24 Pilot. Members are reminded that it was agreed that the Pilot benefit achieved each year is shared with a minimum of 50% being retained by the Greater Manchester Authorities and any balance retained by the Greater Manchester Combined Authority (GMCA), subject to an annual review as part of the budget setting process. In 2023/24 it is expected that 75% of the 2023/24 Pilot benefit will be retained by Greater Manchester Authorities and 25% by GMCA.
- 2.17 Members are reminded that the Pilot benefit has been accounted for a year in arrears in 2023/24. The final in-year benefit position of the 100% Retention Pilot will not be known until the Greater Manchester Pilot Authorities Collection Fund outturn positions have been finalised and decision on the sharing basis agreed. The 2023/24 budget included an expected benefit of £8.365m with the Council receiving £6.274m (on a 75:25 retention basis with GMCA) from the 2023/24 Pilot. 75% of the Council share, which equates to £4.705m, is included in the Council's approved 2023/24 Reserves Policy (presented to Corporate, Resource Management and Governance scrutiny committee and Cabinet in September) to ensure reserves held are sufficient to support the Council's financial robustness and resilience over the medium term. It is proposed that the balance of £1.568m is earmarked to smoothing the payment of the GMCA's 25% share (based on the year end outturn position rather than budget see below) at year end and the Council's borrowing cost position over the medium term impacted by the current high interest rates.
- 2.18 The projected benefit based on the declared Business Rates forecast outturn position is £10.052m. This is an increase of £1.687m compared to the budgeted benefit with the Council receiving a 75% share equivalent to £1.265m. It is noted that the benefit increase is included in the 2023/24 declared Business Rates forecast outturn surplus presented above and is not in addition. The increase in the benefit will increase the GMCA's 25% share compared to budget. In line with accounting requirements, this will be accrued for at year end with the increased amount (above budget) being smoothed.

### **3. 2024/25 BUDGET SETTING**

#### **2024/25 Council Tax Taxbase**

- 3.1 The calculation of Council Tax is prescribed by Regulations published under the Local Government Finance Act 1992. Billing Authorities are required to prepare the calculation on a date specified by the Department for Levelling Up, Housing and Communities (DLUHC) and submit details of the calculation on an annual Council Tax Taxbase (CTB) form.
- 3.2 The CTB form is the starting position for establishing the Council Tax Taxbase used in setting the 2024/25 Council Tax budget. For budget setting purposes, the Council has discretion to allow for the following:
- The impact of local Council Tax support and discount schemes;
  - Forecast changes that may occur to the Council Tax Taxbase in 2024/25; and
  - The local collection rate for Council Tax including forecast changes in liabilities.
- 3.3 The CTB form was submitted to DLUHC (Department for Levelling Up, Housing and Communities) on 13 October 2023 and is included in Appendix 1 to this report. This used the Valuation List as of 11 September 2023 which specified the number of dwellings in each Council Tax valuation band. Discounts and exemptions have been applied to the chargeable dwellings resulting in a net chargeable dwellings number for each valuation band. This is shown on line 29 of the CTB form.
- 3.4 Chargeable dwellings (after discounts and exemptions) are then related to the Band D dwellings by a specified fraction known as the Relevant Proportion. This results in a Band D equivalent Council Tax Taxbase of 98,724.4 chargeable dwellings (CTB form line 31) for 2024/25.
- 3.5 In line with previous years an allowance can be made in the Taxbase for new dwellings that will come into liability during 2024/25. An allowance of 700.0 new dwellings is proposed based on forecasts and past trends covering current housing developments across the Borough.
- 3.6 The legislative changes to the timeframe for the empty properties premium charges, bringing forward the timeline in which a premium can be applied from 2 years to 1 year, as outlined in the Business Rates and Council Tax Discounts Annual Review report have been calculated to equate to an extra 217.7 new dwellings which are proposed as an additional increase to the Council Tax Taxbase.
- 3.7 For budget setting purposes the Council Tax Taxbase is adjusted to take account of the local collection rate. Historic Council Tax collection experience suggests a rate of 98.75% can be used as a prudent assumption of the collection rate. This rate reflects the discounts and reliefs given to Ratepayers as well as the amount of expected arrears and bad debts.
- 3.8 The table below reflects the proposed 2024/25 Council Tax Taxbase for budget setting purposes.

**Table 6 – 2024/25 Council Tax Taxbase**

	<b>Taxbase for Budget Setting</b>
Council Tax Taxbase	99,642.1
Collection Rate	98.75%
<b>Council Tax Taxbase (for budget setting)</b>	<b>98,396.6</b>

- 3.9 It is recommended that the 2024/25 Council Tax Taxbase for budget setting purposes is set at 98,396.6 Band D equivalent dwellings which is 863.3 Band D equivalent dwellings higher than the 2023/24 Council Tax Taxbase.
- 3.10 The 2024/25 forecast Taxbase presented in the MTFP approved in February included expected growth in the Taxbase of 493.5 Band D equivalent dwellings. Following a review of expected dwelling growth across the borough linked to town centre regeneration plans, Stockport Homes building plans and known private house building in the borough, additional growth of 154.8 dwellings (total growth of 648.3 dwellings) is expected during the year. This results in a favourable increase in the Council Tax income forecast for 2024/25 of £0.297m.
- 3.11 It is noted that the September MTFP update included expected income of £0.413m in 2024/25 from premium charges applied to unfurnished empty properties after 12 months of being empty (previously charged after 2 years of being empty) from 1st April 2024. To reflect this income in the Council's budget and MTFP, the 2024/25 Council Tax Taxbase has been increased by a further 215 Band D equivalent dwellings.

### **2024/25 Business Rates Income Forecast**

- 3.12 The current Local Government finance system introduced on 1 April 2013 requires local billing authorities to submit a locally determined and approved Business Rates forecast through an NNDR1 (Business Rates budget) return by 31 January each year. This forecast is used to determine the 2024/25 demand and payment schedule for Business Rates between the billing authority and relevant precept authorities.
- 3.13 Business Rates forecasting can be very complex and volatile. The Business Rates income forecast is based on the Government's assessment of what can be collected, adjusted by local knowledge and experience of collection rates.
- 3.14 The Business Rates Taxbase can fluctuate significantly during the year for a number of different reasons, the most common are listed below:
- Changes in occupancy resulting in changes to the Business Rates liability;
  - Demolitions resulting in properties being removed from the rating lists;
  - New builds and the point at which rateable occupation of these properties is triggered;
  - Changes in building use, size, layout;
  - Changes in entitlement to mandatory and discretionary Business Rate reliefs;
  - Actions taken by property owners/occupier to avoid paying the full liability and maximise their eligibility for reliefs i.e., empty property and charity status;

- Appeals made against rating decisions; and
- Changes in the provision for doubtful debts.

3.15 To aid forecasting and monitoring during the year, the Council monitors the Business Rates liability each month. This helps to identify trends and movements set against the NNDR1 (Business Rates budget) base position for the year.

3.16 The table below shows the 2024/25 Business Rates Income forecast. The forecast is based on the best available information supported by the in-year monitoring of Business Rates.

**Table 7 – 2024/25 Forecast Business Rates Income**

	<b>2024/25 £000s</b>	<b>2022/23 %</b>
Forecast Business Rates Income	94,131	
Stockport Council Share	93,190	99
Greater Manchester Fire and Rescue Share	941	1
<b>Total</b>	<b>94,131</b>	<b>100</b>

3.17 The income forecast includes £24.557m of reliefs provided to businesses which are compensated by Government in the form of Section 31 grants and included in the 2024/25 Budget. This is based on the 2023/24 Section 31 Grants received and the in-year monitoring of Business Rate reliefs given to businesses.

3.18 The 2024/25 NNDR1 (Business Rates budget) return will be submitted on 31 January 2024. With further clarification awaited from the Autumn Statement expected 22 November and the Local Government Finance Settlement in December, it is possible that the forecasts within the return may vary to the forecasts above particularly taking into account the impact of the proposed technical adjustment to the multipliers and the subsequent effect on the Business Rates Retention scheme. If there are significant and material differences between the forecasts, it is recommended that the Business Rates forecasts included in the Council's 2024/25 Budget and MTFP are updated to reflect the NNDR1 (Business Rates budget) figures. On the basis of the above, it is recommended that any decision to vary the 2024/25 Business Rates budget forecast is delegated to the Deputy Chief Executive in consultation with the Cabinet Member for Finance and Resources linked to the submission of the NNDR1 (Business Rates budget) to Government.

#### **2024/25 Forecast 100% Business Rates Retention Pilot Benefit**

3.19 The Greater Manchester Business Rates 100% Retention Pilot will be succeeded by the Greater Manchester Trailblazer deal in 2024/25. The announcement of the Greater Manchester trailblazer deal in March 2023 confirmed that retention of 100% business rates will continue for 10 years from 2024/25 conditional on a Greater Manchester share remaining in place. Further information of the Greater Manchester Trailblazer deal is given in section 5 below.

3.20 The calculation of the forecast Pilot benefit is the difference between the level of Business Rates income under the 100% Pilot and the 50% Scheme. The Council and GMCA are expected to agree that GMCA's share of the 100% pilot

benefit will be 25% in 2024/25. The remaining 75% of the pilot benefit will be available to support the Council's financial robustness and resilience over the medium term. 50% of the expected benefit each year has been included in the budget with the balance held to mitigate risk and support the Council's budget and MTFP particularly in relation to smoothing the Council's borrowing costs impacted by high interest rates. The MTFP update forecasts have been updated to reflect this. In-year monitoring of the Pilot in 2024/25 will continue to give the Council an early indication of the likely Pilot benefit to be accrued.

## Collection Fund Resources

- 3.21 Following the update of the in-year and MTFP Collection Fund forecasts, a one-off resource of £4.489m from the 2023/24 declared outturn position and an additional £0.297m of permanent resources relating to the Council Tax Taxbase growth has been identified. In the context of increasing budget pressures linked to price inflation, pay inflation particularly relating to recent Real Living Wage increase, high interest rates impacting the Council's borrowing costs and increasing demand for services this resource will be used to support the Council's 2024/25 Budget and MTFP.

**Table 8 – Indicative Collection Fund Resources Supporting the 2024/25 Budget and MTFP**

	One-off £000s	Permanent £000s
2023/24 Declared Outturn Position – Council Tax	760	0
2023/24 Declared Outturn Position – Business Rates*	3,263	0
Council Tax Taxbase Increase	0	297
<b>Total Available Resources</b>	<b>4,023</b>	<b>297</b>

*\*The total declared Business Rates surplus of £3.729m is split between the Council and GMCA. The Council's share is £3.263 with the balance £0.466m being paid to GMCA.*

## 4. BUSINESS RATES POOLING ACROSS GREATER MANCHESTER

- 4.1 The Council signified its intention in October to decline the Greater Manchester pooling arrangement for 2024/25 covering the 10 Greater Manchester Authorities as the associated risks of the Pool outweigh the benefits. This is an interim decision and Authorities will have the opportunity to review the Pool application following the release of the Provisional Local Government Finance Settlement in December. The decision will need to be confirmed to the Department for Levelling Up, Housing and Communities (DLUHC) within 28 days of the Provisional Local Government Finance Settlement in December.
- 4.2 It is recommended that the Cabinet delegates the decision to the Deputy Chief Executive in consultation with the Cabinet Member for Finance and Resources.

## 5. FUTURE DEVELOPMENTS AND CONSIDERATIONS

### Autumn Budget 2023 Business Rate and Council Tax Measures

- 5.1 The Government's 2023 Autumn Statement on 22 November 2023 will inform the Local Government Finance Settlement expected to be announced in mid-December. The Autumn Statement includes measures that will affect Business Rates, and these are currently being reviewed by Finance Officers to update the



forecast. The announcements not expected to significantly affect the funding received.

## **Greater Manchester Trailblazer Deal**

5.2 The Greater Manchester trailblazer deal announced in March 2023 will come into effect from 1 April 2024 and will be in place for 10 years from financial years 2024/25 to 2033/34 inclusive and will supersede the current 100% Business Rates Retention Pilot agreement between Government and the Greater Manchester Authorities. Detail of the Trailblazer deal is being finalised by GMCA and Government, in relation to Business Rates retention the following has been confirmed/is being considered:

- Under the trailblazer deal arrangement, the Greater Manchester Authorities will retain 99% of their non-domestic rating income and will also receive section 31 grant in respect of Government changes to the Business Rates system which will amount to 99% of the value of lost income from Government directed reliefs. In addition, tariffs and top ups will be adjusted to ensure cost neutrality. The business rates shares, tariffs and top-ups and baseline funding levels for 2024/25 will be set out in the Local Government Finance Settlement.
- Greater Manchester Authorities will continue to forego grants that will be set out annually in the final Local Government finance report and will include the Revenue Support Grant, the Public Health Grant received by authorities and the integrated Transport Block Grant, Highways Maintenance Capital Grant and Highways Maintenance Efficiency funding received by GMCA.
- The Greater Manchester trailblazer deal is conditional upon a Greater Manchester share remaining in place to support the long term financial and economic sustainability and economic growth of the Combined Authority and the Greater Manchester region. In 2024/25, the Combined Authority share of retained business rates from constituent authorities will total 25% of income accrued through 100% retention arrangements. This is agreed locally between the GMCA and the Greater Manchester authorities and confirmed on an annual basis.
- Government will calculate levy and safety net payments due from/to individual Greater Manchester authorities on the basis that each authority has a zero-levy rate and a safety net threshold of 97% reflecting the additional level of risk brought through 100% rates retention.
- Government and Greater Manchester agree to remove the 'No Detriment' clause included in the 100% Business rates retention pilot with a view to finding the right balance of risk and reward. The 'No Detriment' calculation will still be measured and monitored by the Greater Manchester authorities quarterly outside of the trailblazer deal.
- Government have agreed in principle to Greater Manchester retaining a proportion (yet to be agreed) of investment growth secured as a result of Greater Manchester's investment programme and this growth will be disregarded for the purposes of calculating tariffs and top ups at a future reset of the business rates retention system.
- Alongside the 10-year Business Rates retention arrangements, Government and Greater Manchester aim to designate growth zones and investment zones for financial year 2024/25 within the Greater Manchester area. These sites will retain growth above and agreed baseline for a period of 25 years, exempt from a system wide reset of business rates baselines.

- 5.3 The Greater Manchester Trailblazer Deal has given greater certainty of Business Rates income retention for the next 10 years. This certainty gives the Council confidence that it can prudently budget for the expected benefit of 100% retention in the year it is achieved rather than in arrears as done in previous years. 50% of the expected benefit each year has been included in the budget with the balance held to mitigate risk and support the Council's budget and MTFP particularly in relation to smoothing the Council's borrowing costs impacted by high interest rates. The MTFP update forecasts have been updated to reflect this.

### **Non-Domestic Rating Bill – technical adjustments to the Business Rates Retention Scheme**

- 5.4 The Non-Domestic Rating Bill has recently made its way through parliament and received Royal Assent in October 2023. It includes an important proposal that will impact on the calculation of the Business Rates multiplier.
- 5.5 The Bill will change the way that Business Rates multipliers are indexed and gives ministers more flexibility over increases to the small and large business rating multipliers.
- 5.6 A consultation was launched which closed on 2<sup>nd</sup> November outlining how DLUHC are proposing to handle the policy changes and the implications for the Business Rates Retention System. It is intended that the changes will be brought in for financial year 2024/25 and confirmation of this is currently awaited following the closure of the consultation.
- 5.7 The changes proposed may have financial implications for local authorities and this development will be closely monitored over the coming weeks with changes included in the MTFP to reflect the latest information.

### **Wider Business Rates Retention System Reforms**

- 5.8 Wider reforms to the Business Rates Retention System continue to be delayed. Finance Officers will continue to monitor the Government announcements and consultations on the future retention basis and ensure the Business Rates forecasts and assumptions included in the MTFP reflect the latest information.

### **Business Rates Revaluation**

- 5.9 Following Royal Assent, business rates revaluations will occur every 3 years rather than every 5 years, beginning in 2026.

### **Reset of Business Rates Baselines**

- 5.10 Members are reminded that previous reports have made reference to a planned reset of the Business Rates baselines set in 2013. The pandemic and cost-of-living crisis have given rise to limited progress being made with the planned reset and it is assumed that the baselines reset will be deferred to a future date.
- 5.11 GMCA, alongside the Greater Manchester Authorities, continues to lobby Government for a partial reset of the Business Rates baselines. A partial reset would mean the Council alongside the other Greater Manchester Authorities will be able to retain an element of the Business Rates growth achieved since the exiting Business Rates baselines were set in 2013. The balance of the Business

Rates growth not retained would be redistributed nationally as part of the Government's Local Authority funding formula incorporating the partially reset baselines. Conversely, a full reset would mean all the growth achieved since 2013 would be redistributed nationally as part of the Government's Local Authority funding formula incorporating the fully reset baselines.

5.12 As part of the simplification of Business Rates accounting, Government is considering options for the basis of future baselines resets. As well as full and partial resets, the Government is also considering phased resets where Local Authorities retain the growth they have achieved since the last baselines reset for a set period before the growth is redistributed via the Government's Local Authority funding formula in full. The Government will seek views on the options as part of their future consultations on the reforms to the Business Rates Retention System.

5.13 On the basis that there are several scenarios on the impact of a future Business Rates baselines reset, the MTFP currently assumes a fiscally neutral position. However, it is recommended that the 2023/24 declared Collection Fund surplus and any future year surpluses are used to enhance the robustness of the Collection Fund reserve to smooth the impact of financial risk crystallising following a reset. Finance Officers will continue to monitor the Government announcements and consultations on the future baseline reset and ensure the Business Rates forecasts and assumptions included in the MTFP reflect the latest information.

## **6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

6.1 All financial and risk considerations have been included in the report content.

## **7. LEGAL CONSIDERATIONS**

7.1 There are no legal considerations to consider.

## **8. HUMAN RESOURCES IMPACT**

8.1 There will be no impact on the workforce or the workforce of partner organisations.

## **9. EQUALITIES IMPACT**

9.1 There is no impact on the protected characteristic groups.

## **10. ENVIRONMENTAL IMPACT**

10.1 There is no impact on the environment.

## **11. RECOMMENDATIONS**

11.1 It is recommended that Cabinet:

- Declare a provisional forecast outturn Collection Fund surplus of £4.669m in 2023/24 relating to a Council Tax surplus of £0.902m and Business Rates surplus of £3.767m subject to the delegations below;
- Declare a provisional forecast outturn Collection Fund surplus to be appropriated to the Council's General Fund in 2024/25 of £4.489m relating

to a Council Tax surplus of £0.760m and Business Rates surplus of £3.729m subject to the delegations below;

- Approve the use of the declared surplus to support the Council's 2024/25 Budget, MTFP and Collection Fund Reserve in the context of increasing budget pressures linked to price inflation, pay inflation particularly relating to recent Real Living Wage increase, high interest rates impacting the Council's borrowing costs and increasing demand for services;
- Note the proposal for the Council Tax Discretionary Hardship Fund as set out in the Council Tax and Business Rates Discounts Annual Review report as per paragraph 2.3;
- Note the 2024/25 Council Tax Taxbase for budget setting purposes of 98,396.6 Band D equivalent dwellings. The Council's final 2024/25 Council Tax Taxbase will be presented for approval to the Council meeting on 11 January 2024;
- Note the 2024/25 Business Rates budget forecast subject to the completion of the NNDR1 (Business Rates budget) to be submitted to Government by 31 January 2024; and
- Note that the indicative Collection Fund resources identified are to be reviewed through the MTFP and 2024/25 budget setting processes following the Provisional Local Government Finance Settlement in December.

11.2 It is recommended that the Cabinet delegates the following decisions to the Deputy Chief Executive in consultation with the Cabinet Member for Finance and Resources:

- The decision to change the provisional 2023/24 Collection Fund forecast outturn position prior to declaring the position on 31 January 2024 as required by legislation;
- The decision to continue in the Greater Manchester Business Rates pooling arrangement; and
- The decision to vary the Business Rates forecast presented in Table 7 linked to the submission of the NNDR1 (Business Rates budget) to Government.

## BACKGROUND PAPERS

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Elaine Carrington 0161 474 4678 Jonathan Davies on 0161 218 1025 or by email at [elaine.carrington@stockport.gov.uk](mailto:elaine.carrington@stockport.gov.uk) or [jonathan.davies@stockport.gov.uk](mailto:jonathan.davies@stockport.gov.uk)

# Appendix 1 - CTB1 Return October 2023

**CTB(October 2023)**  
**Calculation of Council Tax Base**  
Please e-mail to : [ctb.stats@levelingup.gov.uk](mailto:ctb.stats@levelingup.gov.uk)  
Please enter your details after checking that you have selected the correct local authority name

Ver 1.3

Please select your local authority's name from this list

Stonewall  
Stockport  
Stockton-on-Tees  
Stoke-on-Trent  
Stratford-on-Avon  
Stroud

Check that this is your authority: Stockport

E-code: E4207

ONS code: E08000007

Local authority contact name: Mhicael Cullen

Local authority contact telephone number: 0161 474 4545

Local authority contact e-mail address: Mhicael.CULLEN@STOCKPORT.GOV.UK

CTB(October 2023) form for Stockport Completed forms should be received by DLUHC by Friday 13 October 2023

Dwellings shown on the Valuation List for the authority on Monday 11 September 2023	Band A entitled to disabled relief reduction COLUMN 1	Band A COLUMN 2	Band B COLUMN 3	Band C COLUMN 4	Band D COLUMN 5	Band E COLUMN 6	Band F COLUMN 7	Band G COLUMN 8	Band H COLUMN 9	TOTAL COLUMN 10
<b>Part 1</b>										
1. Total number of dwellings on the Valuation List		31,697	28,925	28,725	19,792	13,166	6,539	3,561	218	132,623
2. Number of dwellings on valuation list exempt on 2 October 2023 (Class B & D to W exemptions)		802	483	517	310	217	90	59	3	2,481
3. Number of demolished dwellings and dwellings outside area of authority on 2 October 2023 (please see notes)		2	1	0	1	0	0	2	0	6
4. Number of chargeable dwellings on 2 October 2023 (treating demolished dwellings etc as exempt) (lines 1-3-3)		30,893	28,441	28,208	19,481	12,949	6,449	3,500	215	130,136
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 2 October 2023		46	119	188	137	145	89	60	37	823
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	48	119	188	137	145	89	60	37		823
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5-6 or in the case of column 1, line 6)	48	30,964	28,510	28,157	19,489	12,893	6,420	3,477	178	130,136
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 2 October 2023	17	17,535	11,392	8,674	4,829	2,684	1,045	430	21	46,627
9. Number of dwellings in line 7 entitled to a 25% discount on 2 October 2023 due to all but one resident being disregarded for council tax purposes	3	286	339	315	255	157	64	38	0	1,457
10. Number of dwellings in line 7 entitled to a 50% discount on 2 October 2023 due to all residents being disregarded for council tax purposes	2	32	36	46	39	32	29	46	5	267
11. Number of dwellings in line 7 classed as second homes on 2 October 2023 (b/fwd from Flex Empty tab)		103	79	78	79	61	28	17	0	445
12. Number of dwellings in line 7 classed as empty and receiving a zero% discount on 2 October 2023 (b/fwd from Flex Empty tab)		673	567	394	211	127	66	47	2	2,087
13. Number of dwellings in line 7 classed as empty and receiving a discount on 2 October 2023 and not shown in line 12 (b/fwd from Flex Empty tab)		0	0	0	1	0	0	0	0	1
14. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 2 October 2023 (b/fwd from Flex Empty tab)		125	77	47	31	11	9	14	1	315
15. Total number of dwellings in line 7 classed as empty on 2 October 2023 (lines 12+13+14)		798	644	441	243	138	75	61	3	2,403
16. Number of dwellings that are classed as empty on 2 October 2023 and have been for more than 6 months. NB These properties should have already been included in line 15 above.		413	397	274	167	95	49	50	1	1,446
16a. The number of dwellings included in line 16 above which are empty on 2 October 2023 because of the flooding that occurred between 1 December 2015 and 31 March 2016 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0
16b. The number of dwellings included in line 16 above which are empty on 2 October 2023 because of the flooding that occurred between November 2019 and February 2020 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0
17. Number of dwellings that are classed as empty on 2 October 2023 and have been for more than 6 months and are eligible to be treated under empty homes discount class D (formerly Class A exemptions). NB These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a above.		0	0	0	0	0	0	0	0	0
18. Number of dwellings that are classed as empty and have been empty for more than 6 months excluding those that are subject to empty homes discount class D or empty due to flooding (Line 16 - line 16a - line 16b - line 17) (equivalent to Line 18 in previous forms).		413	397	274	167	95	49	50	1	1,446
19. Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Annexe discount	26	12,986	16,665	19,075	14,334	10,008	5,273	2,949	151	81,467
20. Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Annexe discount	22	17,978	11,845	9,082	5,155	2,885	1,147	528	27	48,669

