



BUDGET FOR BIRMINGHAM

2025-26



RESET



RESHAPE



RESTART

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A message from the Leader

When I became council leader, my challenge was to tackle long-standing financial issues and put us on track to recovery. I am absolutely determined to deliver the council that the people of Birmingham deserve, and while there is still much to do, a great deal of progress has been made over the last year.



We delivered almost £150 million in savings in 2024/25, and by making difficult decisions, we have put the council back on the path to financial stability, fixing the foundations to allow us to deliver better services for our residents in the years ahead.

I understand that balancing the council's finances is just one part of the task. The council must improve in a number of areas; we must get the basics right, and with the help of our new Managing Director Joanne Roney CBE, we are also determined to transform and modernise services. Work is already underway to modernise in areas like waste services, libraries, and youth work.

Getting the council back on track does require tough decisions, and although the council tax increase is lower than anticipated, I am sorry that it is again above the 4.99 per cent threshold. That will not be the case next year, and in the meantime, I want to assure you that we will continue to do everything we can to protect the most vulnerable across our city.

There are 461,000 households in Birmingham, and around 115,000 are eligible for council tax support. Of those, around 75,000 households pay no council tax at all.

To find out if you are eligible for this vital support, go to:

www.birmingham.gov.uk/CTS

Even in difficult times, the council is still on your side, with our cost-of-living programme supporting 143 foodbanks and over 200 warm welcome spaces. Work is now underway to auto-enrol Birmingham children eligible for free school meals who are currently not taking up the benefit. This will save struggling families approximately £500 per year, per child, in lunch costs.

I promise you that we will continue supporting the people of Birmingham, and by working with our partners and communities to tackle the big challenges facing our city, we will build on the progress made over the last 12 months.

Cllr John Cotton
Leader, Birmingham City Council



The council's priorities

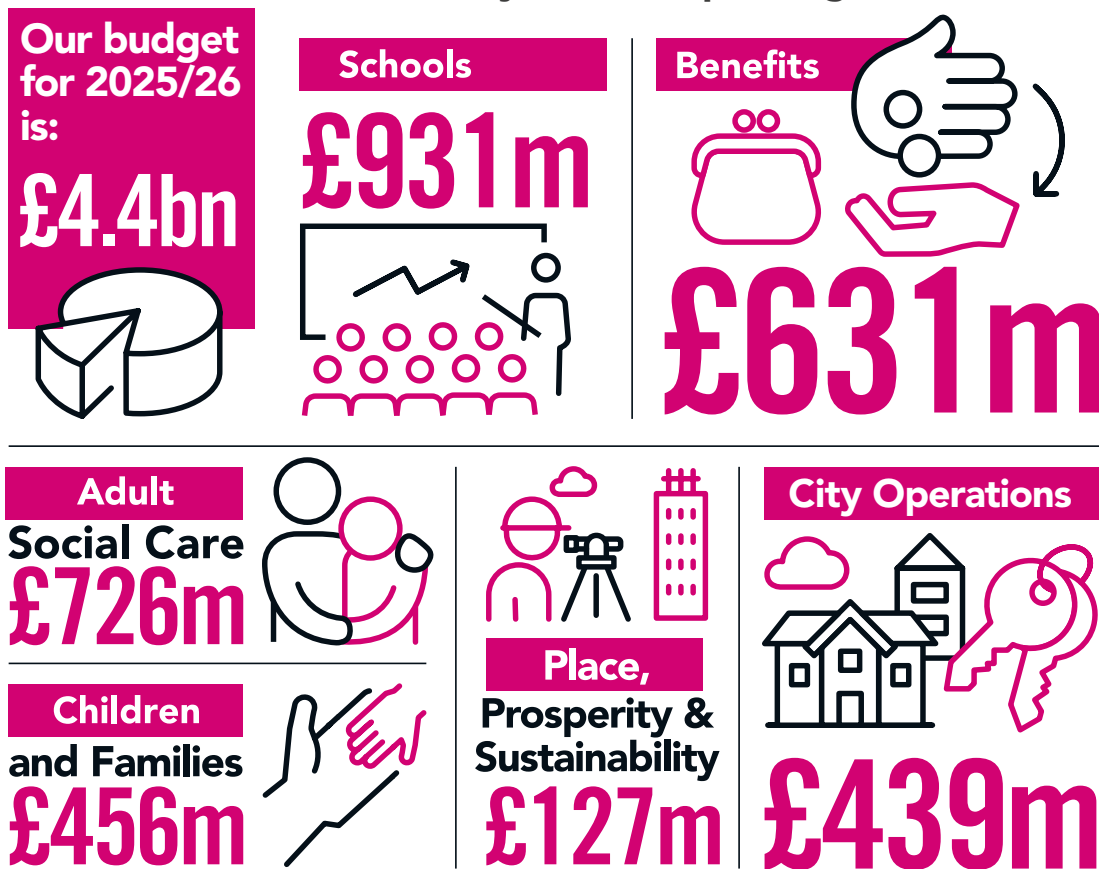
It has been a challenging time, but, as a council, we are striving to get things right and do better. The council is reshaping, and we are at an important stage of our recovery and improvement journey. We are working towards a refreshed city vision, Corporate Plan, and Improvement and Recovery Plan (IRP) to meet the needs of Birmingham's citizens. We remain committed to putting the needs of our citizens first and are doing everything possible

to protect the services people rely on and support our most vulnerable citizens.

Read the council's budget report here:

<https://birmingham.cmis.uk.com/birmingham/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/14079/Committee/39/SelectedTab/Documents/Default.aspx>

Illustrated below are the key areas of spending for 2025/26.



All figures are estimates

Council Tax for 2025/26

The Birmingham City Council element of the Council Tax charge will increase by 7.49% for the 2025/26 year. This increase includes a general Council Tax increase of 5.49% and a 2.00% increase in the Adult Social Care Precept, in recognition of pressure on adult social care services, for an overall increase of 7.49%. Money raised from the Adult Social Care Precept will be invested in adult social care services. The Council will aim to provide support where possible to mitigate the impact on those least able to pay.

The Birmingham City Council element of the Council Tax charge will be added to the additional precepts for:

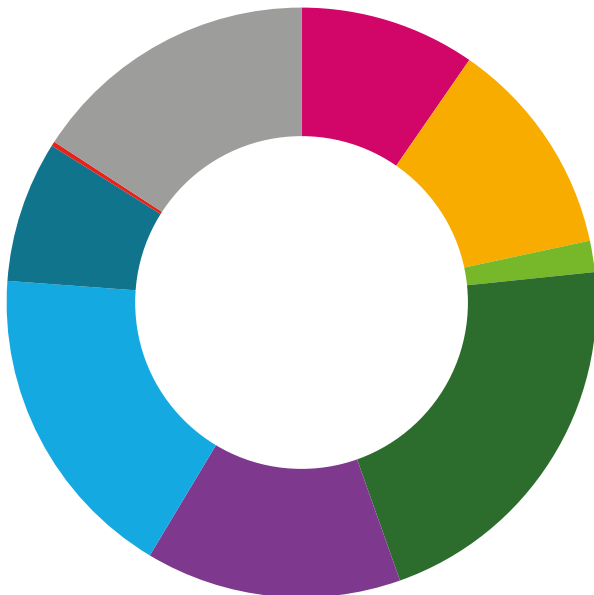
- The West Midlands Fire and Rescue Authority
- The West Midlands Police and Crime Commissioner
- Parish council charges for New Frankley and Royal Sutton Coldfield (for residents in those areas)

For more details see the chart on [see page 7b].

How budgets are put together

Revenue expenditure for city council services involves spending on the day-to-day running costs of the council, e.g. employees, premises, supplies and services.

Where the money comes from 2025/26 – Total £4,387m



- **Business Rates £423m**
- **Council Tax £527m**
- **Top-up Grant £75m**
- **Schools £931m**
- **Grants to Reimburse Expenditure £615m**
- **Other Grants £771m**
- **Housing Revenue Account £340m**
- **Exceptional Financial Support £11m**
- **Other* £694m**

* Other includes contributions, fees and charges, use of reserves and balances, recharges, and costs recovered by charging capital accounts.

Where the money is spent 2025/26 – Total £4,387m



- **Adults Social Care £726m**
- **City Housing £111m**
- **Place, Prosperity & Sustainability £127m**
- **City Operations £439m**
- **Chief Operating Officer, Finance, People Services, Legal & Governance £116m**
- **Children & Families £456m**
- **Strategy, Equalities & Partnerships £118m**
- **Schools £931m**
- **Benefits £631m**
- **Housing Revenue Account £340m**
- **Other* £392m**

* Other includes corporately managed budgets and use of reserves & balances. All budgets include recharges.

Spending

Spending on City Council Services and Band D Council Tax	2024/25 £m	2025/26 £m	% change
Gross Expenditure	4,169.792	4,387.455	5.22
Less Other Income	(3,018.922)	(3,344.849)	10.80
Less Exceptional Financial Support	(225.879)	(11.014)	-95.12
Council Resource Requirement	924.991	1,031.592	11.52
Top-up Grant	(73.323)	(75.300)	2.70
Less Business Rates	(375.471)	(422.628)	12.56
Less Council Tax Collection Fund brought forward	4.221	(7.038)	-266.74
In-year charge to Council Taxpayers	480.419	526.626	9.62
Divided by the taxbase			
(Band D property equivalents)	267,940	273,244	1.98
Council Tax for Council services (Band D)*	1,793.01	1,927.31	7.49
Fire and Rescue Authority Precept	75.20	80.19	6.64
West Midlands PCC	215.55	229.50	6.47
Gives a total Council Tax (Band D)	2,083.76	2,237.00	7.35
For each £1m change in gross spend, Band D Council Tax for Council services would be affected by +/- £3.66 (£3.73 in 2024/25).			
* This amount includes an increase relating to the additional adult social care precept.			
For 2025/26 this increase is 2% (2% increase in 2024/25).			
Total Council Tax (Band D)	2,083.76	2,237.00	7.35
New Frankley in Birmingham Parish Precept	43.20	34.66	-19.77
Gives a total Council Tax (Band D) including New Frankley in Birmingham Parish Council	2,126.96	2,271.66	6.80
New Frankley in Birmingham Parish Council: gross expenditure in 2025/26 will be £100,855 (£100,757 in 2024/25). Net expenditure will be £48,656 (£59,308 in 2024/25) which is equivalent to £34.66 per Band D property (£43.20 for 2024/25). Its charge will be made only to Council Taxpayers in the parish. For each £1,000 change in gross spend, 2025/26 Band D Council Tax would be affected by +£0.71 (£0.73 in 2024/25).			
Total Council Tax (Band D)	2,083.76	2,237.00	7.35
Sutton Coldfield Town Precept	49.96	59.96	20.02
Gives a total Council Tax (Band D) including Sutton Coldfield Town Council	2,133.72	2,296.96	7.65
Sutton Coldfield Town Council: gross expenditure in 2025/26 will be £2,440,449 (£1,981,702 in 2024/25). Net expenditure will be £2,250,599 (£1,870,702 in 2024/25) which is equivalent to £59.96 per Band D property (£49.96 for 2024/25). Its charge will be made only to Council Taxpayers in the parish. For each £1,000 change in gross spend, 2025/26 Band D Council Tax would be affected by +£0.03 (£0.03 in 2024/25).			

How spending on City Council Services has changed from 2024/25	Gross Expenditure £m	Gross Income £m	Net £m
2024/25 Budget	4,170	(3,019)	1,151
Inflation	89	(3)	86
Budget pressures and variations	237	(121)	116
2025/26 Savings Programme	(176)	27	(149)
Movement in contributions/ use of corporate reserves	(38)	(19)	(57)
Changes in corporate grants	0	(104)	(104)
Schools expenditure and funding	93	(93)	0
Housing Revenue Account	13	(13)	0
2025/26 Budget	4,387	(3,345)	1,043

Detailed Council Tax figures 2025/26

Band	City Council* £	Fire & Rescue Authority £	West Midlands PCC £	Total excl. Parish Precept £	New Frankley in Birmingham		Royal Sutton Coldfield	
					Parish Precept £	Parish Total £	Town Precept £	Town Total £
A	1,284.87	53.46	153.00	1,491.33	23.11	1,514.44	39.98	1,531.31
B	1,499.02	62.37	178.50	1,739.89	26.96	1,766.85	46.63	1,786.52
C	1,713.16	71.28	204.00	1,988.44	30.81	2,019.25	53.30	2,041.74
D	1,927.31	80.19	229.50	2,237.00	34.66	2,271.66	59.96	2,296.96
E	2,355.60	98.01	280.50	2,734.11	42.36	2,776.47	73.29	2,807.40
F	2,783.89	115.83	331.50	3,231.22	50.07	3,281.29	86.61	3,317.83
G	3,212.18	133.65	382.50	3,728.33	57.77	3,786.10	99.94	3,828.27
H	3,854.62	160.38	459.00	4,474.00	69.32	4,543.32	119.92	4,593.92

* This amount includes the adult social care precept.



Environment Agency Midlands Region

The Council Tax (Demand Notices) (England) Regulations 2011

The Environment Agency is a levying body for its Flood and Coastal Erosion Risk Management Functions under the Flood and Water Management Act 2010 and the Environment Agency (Levies) (England and Wales) Regulations 2011.

The Environment Agency has powers in respect of flood and coastal erosion risk

management for 4,855 kilometres of main river and along tidal and sea defences in the areas of the Severn & Wye and the Trent Regional Flood and Coastal Committees (2,486 and 2,369 respectively). Money is spent on the construction of new flood defence schemes, the maintenance of the river system and existing flood defences together with the operation of a flood warning system and management of the risk of coastal erosion. The financial details are:

Severn & Wye Regional Flood and Coastal Committee		
	2024/25	2025/26
	`000s	`000s
Gross expenditure	£34,573	£32,588
Levies raised	£1,270	£1,296
Total Council Tax Base (Band D property equivalents)	1,029	1,049
Trent Regional Flood and Coastal Committee		
	2024/25	2025/26
	`000s	`000s
Gross expenditure	£67,518	£99,241
Levies raised	£2,313	£2,360
Total Council Tax Base (Band D property equivalents)	1,930	1,959
Total Levy Raised	£3,583	£3,656

The majority of funding for flood defence comes directly from the Department for the Environment, Food and Rural Affairs (Defra). However, under the new Partnership Funding rule not all schemes will attract full central funding. To provide local funding for local priorities and contributions for partnership funding the Regional Flood and Coastal Committees recommend through the Environment Agency a local levy.

A change in the gross budgeted expenditure between years reflects the programme

of works for both capital and revenue needed by the Regional Flood and Coastal Committees to which you contribute. The total Local Levy raised has increased by 2.0% for the Severn & Wye Committee and 2.0% for the Trent Committee.

The total Local Levy raised has increased from **£3,583,804 in 2024/25 to £3,655,480 for 2025/26 (£1,295,738 for Severn & Wye and £2,359,742 for Trent Committee).**

Birmingham's share of this total Local Levy in 2025/26 is **£329,124.**

General explanatory notes – 2025/26

Non-Domestic Rates

Non-Domestic Rates or Business Rates is a tax on property recorded in the local rating list.

The revenue collected is spent on provision of local services. Further information may be obtained at: www.gov.uk/introduction-to-business-rates. The legislation relating to non-domestic rates can be found in the Local Government Finance Act 1988 and the Collection and Enforcement Regulations 1989 as amended.

Rateable Value

The rateable value is the estimated annual rental value of a commercial property which is calculated by the Valuation Office Agency, who are responsible for maintenance and compilation of the Non-Domestic Rating List. The rateable value broadly represents the yearly rent a property could have been let for on the open market on a particular date specified in legislation. For the current rating list, this date was set as 1 April 2021.

All properties apart from those that are exempt have a rateable value.

The Valuation Office Agency may alter the valuation if circumstances change.

The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is inaccurate. Further information on matters which can be appealed or challenged, including the process for doing so can be found on the **VOA website**: www.gov.uk/find-business-rates

Revaluations

The Valuation Office Agency (VOA) regularly updates the rateable values of all business and other non-domestic properties – properties that are not just private homes – in England and Wales. This is called a revaluation. Rateable values are the amount of rent a property could have been let for on a set valuation date. For the 2023 valuation that's 1 April 2021. We use these rateable values to calculate business rates bills.

Revaluations are done to reflect changes in the property market, which means that business rates bills are based on more up-to-date information. The last revaluation came into effect on 1 April 2023 and the next one will be 1 April 2026.

Multipliers

The Billing Authority calculates the amount due on each bill by multiplying the rateable value by the relevant multiplier. There are two multipliers: the standard non-domestic rating multiplier and the small business non-domestic rating multiplier. The Government sets the multipliers each financial year, except in the City of London where special arrangements apply.

Up to 31 March 2024 while a property is empty, the rates calculation uses the standard multiplier even if the lower small business rates multiplier applied when the property was in use. From 1 April 2024 the small business rates multiplier will apply to properties with a rateable value under £51,000.

The Government has confirmed the **small business multiplier** will be frozen at 49.9p and the **standard multiplier** will be updated by September's CPI figure (1.7%), increasing the multiplier to 55.5p.



Transitional Rate Relief

At a revaluation, the rateable value of a property may increase. Transitional relief schemes are introduced at each revaluation to assist those facing a rise in their bills.

This is funded by limiting the reduction in bills to those who have benefitted from the revaluation. The Billing Authority applies transitional relief to bills automatically.

Further information about transitional arrangements can be found here:

www.gov.uk/introduction-to-business-rates

Unoccupied Property

In 2007, the Government announced reforms to empty property rates with a view to encourage owners to bring previously empty properties back into effective and efficient use. With effect from 1 April 2008, a three- month exemption can be applied to a property that becomes empty, or in the case of industrial properties, a term of six months exemption can apply. Once the exemption period has expired, 100% of the Business Rate becomes payable.

Rates Mitigation

In recent months the Supreme Court reiterated the purposive background to the reforms in empty rates legislation. The revenue collected in non-domestic rates is utilised and intended to support the City of Birmingham.

Birmingham suffers from high levels of deprivation in comparison to many other UK core cities. This highlights the importance of revenue collection. Any suspected avoidance or evasion of tax will be scrutinised and challenged where appropriate.

Partially Occupied Property

Where there are short term difficulties with occupation of an entire premise, the Local Authority has the power to exercise discretion and award a part occupied relief. The Council must be satisfied that the condition causing difficulty with occupation is short term.

The Council can treat occupation of part as occupation of the whole and the power to reduce is entirely discretionary and not mandatory. Full details can be obtained from the Local Authority website.

Small Business Rates Relief

Small Business Rate Relief is a mandatory relief. This was introduced by the Government to ease the burden on small businesses.

The amount awarded can be variable and is set by the government. It is normally available for businesses that occupy one property only and whose rateable value falls under a certain threshold. The relevant thresholds for relief are set out in regulation and can be found at:

www.gov.uk/introduction-to-business-rates

Supporting Small Business

The new Supporting Small Business (SSB) relief scheme ensures no small business faces a bill increase greater than £50 per month for 2025/26 because of losing eligibility for Small Business Rate Relief or Rural Rate Relief due to the Revaluation which took place 1 April 2023.

Charitable and Discretionary Relief

Charities who occupy a property for wholly and mainly charitable purposes can avail of Charitable Relief at 80%. The Local Authority can exercise discretion to award a further reduction in certain circumstances. Charitable Relief is a mandatory relief. The power to reduce a bill further in respect of wholly charitable purposes is discretionary and dependant on the individual circumstances in a particular case. With effect from 1 April 2024 mandatory relief for charities will be calculated using the small multiplier for those occupying properties with a rateable value of less than £51,000.

Charity and Community Amateur Sports Club Relief

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the charity or the club and is wholly or mainly used for the charitable purposes.

Hardship Relief

Hardship Relief is a discretionary relief. Applications may be considered where awarding such relief is in the interest of the local community and where a similar service or amenity can't be found elsewhere within the city. Hardship may be applicable where to lose an amenity or service would cause adversity to the community.

Other Reductions

For 2025/26 Retail relief will provide eligible occupied properties with a 40% relief, up to a cash cap limit of £110,000 per business.

Further information on this relief type can be found on Business rates relief:

www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme

Further information about temporary reliefs can be found on our website.

Discretionary Reliefs general

Application of most discretionary reliefs must be considered alongside the interests of the taxpayer within the city. Additionally, funding for most discretionary reliefs is borne by the Local Authority. The Local Authority is also required to consider budgetary matters when deciding to award a discretionary relief.

Rating Advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (**RICS – website [rics.org](https://www.rics.org)**) and the Institute of Revenues, Rating and Valuation (**IRRV – website [irrv.org.uk](https://www.irrv.org.uk)**) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you engage a rating adviser or company you should check that they have the necessary knowledge and expertise, in addition to appropriate indemnity insurance.



UK Subsidy Control

The award of discretionary relief is considered financial support and the rules concerning Subsidy Control must be taken into account when applying for any discretionary relief. Further details surrounding this can be found at: **www.gov.uk/government/collections/subsidy-control-regime**

Information Supplied with Demand Notices

Information relating to the relevant and previous financial years regarding the gross expenditure of the local authority is available at **www.birmingham.gov.uk/businessrates**

A hard copy is available on request by writing to the council or by calling **0121 303 5509**.

Heat Network Relief

You can get heat networks relief if your property is only used or mainly used as a 'heat network'.

A heat network supplies heating or cooling to other properties from a central source. To be eligible, the heat network must:

- take its energy from a low carbon source
- supply heating and cooling to other properties - for example, homes, shops, public buildings, hospitals and offices

The heat network must not supply heat or cooling for industrial use - for example, to create products in factories. Contact the Valuation Office Agency (VOA) to check if your property is eligible for heat networks relief.

Improvement Relief

A new relief has been introduced by the Government from 1 April 2024.

For further information, visit:

www.gov.uk/apply-for-business-rate-relief/improvement-relief

Business Rates Online

Our on-line service is simple to use, will save you time and gives you greater control of your bills and payments. Once you have registered and signed into your Brum account, you can go to Business Rates online to set up and manage your direct debit payments. Once you have verified your account, you can check your balance, payments, bills, recovery notices, apply for paperless billing and update your contact details at birmingham.gov.uk/business-rates

Payment and payment methods

All ratepayers will pay their annual bill in ten monthly instalments on the first of each month from April to January, unless they opt to pay:

- in twelve monthly instalments, on the first of each month from April to March;
- in full by 1 April;
- half the year's charge by 1 April and the balance by 1 October.



BUSINESS RATES

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You can make an application online by visiting birmingham.gov.uk/brdirectdebit

Online

Visit birmingham.gov.uk/business-rates where you can make payment by debit or credit card.

If you pay by any of the following methods, you must allow five days for your payment to reach us.



PayPoint/Payzone/Post Office

Towards the top right-hand side of the Business Rates bill there is a barcode which can be used to make payment. You should present this, along with your payment, at any Post Office, or any shop displaying the PayPoint or Payzone logo. Please note that only cash is accepted at PayPoint and Payzone outlets.

You can pay by cheque at the Post Office. Cheques need to be made payable to 'Post Office Counters Ltd'. There is no charge for using these services.

The barcode cannot be used at banks. The cashier will process your payment and give you back your bill.

It is recommended that you request a receipt for your payments. Please keep your bill in a safe place as you will need it to pay your instalments throughout the year.

For a list of PayPoint and Payzone outlets, please visit paypoint.com and payzone.co.uk

Failure to pay on or before the due dates may result in losing the right to pay by instalments and the whole of the charge becoming payable in one instalment.

You should not withhold payment of your Business Rates whilst an appeal is being dealt with by the Valuation Office Agency or whilst we are processing your application for any form of relief.

Service

Our commitment is to:

- Send out accurate and timely rate bills
- Collect rates promptly and efficiently
- Deal with your enquiries quickly and correctly first time

- Give clear and up-to-date information and advice
- Help you to understand your rights and obligations
- Continually improve our performance
- Give value-for-money to our customers
- Offer a formal procedure for complaints

Performance standards

Our aim is to deal with all written correspondence within ten working days of receipt.

Please note that, at certain times, particularly immediately after we have issued our annual bills in March, we may take a little longer than ten working days to deal with your enquiry.

Comments, compliments or complaints – your views

We are committed to providing our customers with an excellent level of service and support the city council's 'Your Views' policy. If you would like to raise anything about the service you have received, whether it is a comment, compliment or complaint, please let us know by visiting birmingham.gov.uk/yourviews or contact us using the details available in the enquiries and other information section of this booklet.

Enquiries and Other Information

Any enquiries relating to Business Rates should be addressed to:

**Birmingham City Council Revenues
P.O. Box 5 Birmingham B4 7AB**

**Email business_rates@birmingham.gov.uk,
visit birmingham.gov.uk/business-rates or
telephone 0121 303 5509.**

Fair Processing Statement

We, Birmingham City Council, process your personal data in order to comply with our legal obligation to assess and collect Council Tax or Business Rates bills. All personal data will be processed in accordance with the Data Protection Act 2018 and the Data Protection Regulation (GDPR). The legal basis that allows us to use your information is 'public task'.

Your personal data may also be shared with other organisations, the details of which can be found on our website [birmingham.gov.uk/fairprocessing](https://www.birmingham.gov.uk/fairprocessing) where you can also find details of our Data Protection Officer and information on your rights and how to exercise them. In accordance with our retention schedule, we shall keep your personal data for a period of six years from date of account closure.

Help and information for visually impaired people

Please call **0121 303 1113** to register for our large print services. We can provide you with information relating to your Business Rates bill in large print, on audiotape or in Braille.



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SIGN-UP



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To find out more, visit **Birmingham.gov.uk/commercialwaste**



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Are you worried about the rising cost of living?

You are not alone, the cost of living crisis is affecting many of us.

There is help in Brum

Places to keep warm

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Help with energy bills and food

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For more information about how to manage your account online please visit:
[birmingham.gov.uk/businessrates](https://www.birmingham.gov.uk/businessrates)



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