

Name of meeting: Cabinet – 18th December 2018
Council – 16th January 2019

Title of report: Calculation of Council Tax Base 2019/20

Purpose of report: To seek approval of the Council for the various tax bases, this will apply to the Kirklees area for the financial year 2019/20 in connection with the Council Tax. There are no proposed changes to the current Council Tax Reduction Scheme (CTRS) for 2019/20.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes: The calculation of the Council Tax base affects all wards in the Kirklees area.
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports?)</u>	Yes 8th Oct 2018
The Decision - Is it eligible for call in by Scrutiny?	No – Full Council decision
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance IT and Transactional Services? Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	Rachel Spencer-Henshall , Strategic Director, Corporate Strategy and Public Health – 30 November 2018 Eamonn Croston Service Director, Finance – 6 December 2018 Julie Muscroft Service Director – Legal, Governance and Commissioning – 4 December 2018
Cabinet member portfolio	Cllr Graham Turner

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

Have you considered GDPR: Yes - there is no personal data within the Council Tax base report or calculation.

1. **Summary**

Section 67(2) of the Local Government Finance Act 1992 requires that the tax base for Council Tax should be approved by the Authority (i.e. the Council).

The regulations covering setting the tax base are covered and updated under Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (as amended).

1.1 **Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992**, which applies to members where –

- (a) they are present at a meeting of the Council, the Cabinet or a Committee and at the time of the meeting an amount of Council Tax is payable by them and has remained unpaid for at least two months, and
- (b) any budget or Council Tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such members shall at the meeting and as soon as practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter in (b) above. It should be noted that such members are not debarred from speaking on these matters.

Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

2. **Information required to take a decision**

In determining the level of local taxation, each local authority calculates a tax base annually so that, once the level of expenditure has been approved, the determinations of the level of local taxation becomes an arithmetical exercise.

The Council Tax base for an authority is the amount of income which would be received by levying a Council Tax of £1.00 on band D properties and taking into account the differential rates which would be applied to properties in the other bands.

In view of the fact that there are Parish and Town precepts, it is necessary to calculate a tax base for:

- a) the whole of Kirklees; and
- b) each parish and town council area

The valuation listing received from the Inland Revenue (valuation office) places each domestic property in Kirklees into one of eight valuation bands.

In order to calculate the tax base, the following factors must be taken into account and applied to the valuation bandings:

- a) Fixed ratios between valuation banding;
- b) Number of exempt properties;
- c) Number of properties eligible for a discount

- d) Properties subject to an Empty Homes premium (long term empty properties, empty over 2 years) subject to premium charge(s). (see separate report on proposed changes to Empty Homes Premium Charges)
- e) Number of appeals against bandings which will be successful;
- f) Number of new properties which will be added to the list during the year; and
- g) Council Tax Reduction Scheme (CTR) – continuing the local scheme as in 2018/19 at 20%.
- h) An allowance for losses on collection.

For the purpose of calculating the tax bases, it should be noted that a collective adjustment has been made to the current tax base as at 30th November 2018. The current tax base figure based on 30th November 2018 figures is 120,486.87. Allowing for the factors above the overall collective adjustment for 2019/20 has been calculated at 1.47594% to take into account the above factors and adjustments in the tax base. The Council Tax base as set out in the report will be used to inform the demand on the collection fund amount to be considered at full budget Council on 16th January 2019.

There will be no additional percentage increase for Adult Social Care (ASC) precept for 2019-20. Councils were able to apply an ASC precept uplift of no more than 6% over the 2017-20 period. Kirklees applied 3% uplifts in 2017-18 and 2018-19, and are now at the 6% limit. The proposed Council Tax rise for 2019/20 will be covered under a separate budget report to full Council.

The Council may introduce an extension of the discretionary reduction in Council Tax available for Care Leavers up to age 21 to cover those care leavers up to age 25. The potential additional quantum is yet to be identified as it will depend entirely upon the number of care leavers with a Council Tax liability not already being met in full through other reductions, discounts and exemptions already in place.

It is recommended that the 2019/20 tax base for the whole of Kirklees area, and the tax bases for the five Parish and Town Council areas be approved as follows:

Whole of Kirklees	118,708.56
Denby Dale	5,771.84
Holme Valley	9,998.83
Kirkburton	8,910.47
Meltham	2,820.42
Mirfield	6,617.91

In order to demonstrate the methodology used in the calculation, the Appendices show the current number of properties in each band, the current effect of discounts, exemptions and the collective adjustment referred to earlier in the report. This is broken down into the Whole of Kirklees and the five Parish and Town council areas above.

Council Tax Reduction Parish Grant

Over recent years a grant has been distributed to Parish Councils to supplement the Parish precept, so as to provide top-up funding to mitigate the effect of the Localisation legislation introduced in 2013/14. The effect of Localisation was to reduce individual Parish tax bases, resulting in a consequential loss in their income. Since 2013/14 the Parishes have seen their tax bases grow and based on the tax bases recommended in this report, the following grants will be payable:

	CTR Parish Grant
Parish for 2019/20	
Denby Dale	£1,212.43
Holme Valley	£206.33
Kirkburton	£1,651.77
Meltham	£858.94
Mirfield	£3,825.85
	£7,755.32

3. **Implications for the Council**

3.1 **Working with People**

The setting of the tax base is related to all domestic properties in Kirklees and is not based on individual circumstances. It applies to every property.

The Local Government Finance Act 1992 requires each authority to devise a Local Council Tax Reduction Scheme it does not specify the extent of any such reduction.

By providing a scheme that reduces liability to an affordable level, it prevents the need to take unnecessary and costly recovery action that would inevitably result in courts finding the customer did not have the means to pay.

3.2 **Working with Partners**

N/A

3.3 **Placed based working**

N/A

3.3 **Improving Outcomes for Children**

N/A

3.4 **Reducing demand of services**

N/A

3.5 **Other (e.g. Legal/Financial or Human Resources)**

The setting of the tax base is related to the annual budget process.

Setting a budget specifically to meet Council Tax liability of those that would otherwise be unable to pay, means we have greater clarity as to the amount of Council Tax we might collect. That in turn allows the Council to plan more accurately based on anticipated revenue from the collection of Council Tax.

The decision to agree the tax base determines the levels of income received by the Council through the levy of Council Tax for residents of Kirklees.

The Council must consider any legislative changes as part of the Council Tax base setting process, as any changes will materially affect the Council Tax base. Any legislative changes (if any) have been considered and incorporated in the Council Tax base setting process.

4. **Consultees and their opinions**

Eamonn Croston - Service Director, Finance

Councillor Graham Turner - supports the calculations and judgments made in determining the proposed Council Tax base.

5. **Next steps**

- Cabinet to agree Council Tax base
- The Council Tax base will form part of the budget discussions at Full Council
- Agree the level of Council Tax for 2019/20.

6. **Officer recommendations and reasons**

It is recommended that the 2019/20 Council Tax base for the whole of the Kirklees area, and the Council Tax bases for the five Parish and Town council areas be approved by Cabinet and forms part of the budget process at Full Council meeting as follows:

Whole of Kirklees	118,708.56
Denby Dale	5,771.84
Holme Valley	9,998.83
Kirkburton	8,910.47
Meltham	2,820.42
Mirfield	6,617.91

These figures are based on the current CTR scheme. If there are any member alterations to the tax base figures then continued delegated powers be given to the Service Director, Finance, IT and Transactional Services to adjust the tax base to reflect any changes made.

7. **Cabinet portfolio holder's recommendations**

The Cabinet Portfolio Holder recommends that Cabinet approve the Council Tax base for the whole of the Kirklees area, and the Council Tax bases for the five Parish and Town for 2019/20 as listed in the report.

The Cabinet Portfolio Holder recommends that following approval of the 2019/20 Council Tax base that this along with the proposed Council Tax rise forms part of the budget process at Full Council.

8. **Contact officer**

Steve Bird – Head of Welfare and Exchequer Services

Mark Stanley – Senior Manager Welfare and Exchequer Services

9. **Background Papers and History of Decisions**

N/A

10. **Service Director responsible**

Eamonn Croston – Service Director, Finance

Kirklees Metropolitan Council
Council Tax Base Calculation for whole of Kirklees 2019/2020

APPENDIX A

2019/2020
Less :
collective
adjustment

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 100% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A Disabled	111	0	111	9.00	23.94	0.00	78.06	5	43.37
A	85,124	3,470	81,654	9,828.75	18,414.13	390.00	53,797.50	6	35,865.00
B	34,705	782	33,923	2,930.75	3,362.19	133.00	27,762.56	7	21,593.10
C	31,653	676	30,977	2,059.00	1,722.56	66.00	27,260.93	8	24,231.94
D	16,686	357	16,329	885.50	526.84	24.00	14,940.66	9	14,940.66
E	11,579	105	11,474	469.50	207.75	17.00	10,813.75	11	13,216.81
F	5,167	40	5,127	207.25	51.89	16.00	4,883.86	13	7,054.46
G	2,127	19	2,108	84.75	20.83	4.00	2,006.42	15	3,344.03
H	112	4	108	9.25	0.00	0.00	98.75	18	197.50
	187,264	5,453	181,811	16,483.75	24,330.13	650.00	141,642.50		120,486.87
							Less : collective adjustment	1.47594%	1,778.31
							Council Tax Base for KMC - Chargeable Dwellings Band 'D' Equivalent		118,708.56

Kirklees Metropolitan Council

APPENDIX B

Council Tax Base Calculation for area of Denby Dale Parish Council 2019/2020

2019/2020
Less :
collective
adjustment

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 100% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A Disabled	5	0	5	0.25	0.55	0.00	4.20	5	2.33
A	1,927	36	1,891	217.50	426.35	2.00	1,249.15	6	832.77
B	1,242	16	1,226	114.50	77.85	8.00	1,041.65	7	810.17
C	1,194	13	1,181	87.00	39.88	4.00	1,058.12	8	940.55
D	1,402	14	1,388	74.50	12.20	0.00	1,301.30	9	1,301.30
E	956	5	951	34.00	4.81	2.00	914.19	11	1,117.34
F	406	3	403	19.00	1.20	2.00	384.80	13	555.82
G	171	1	170	6.00	0.48	0.00	163.52	15	272.53
H	13	0	13	0.25	0.00	0.00	12.75	18	25.50
	7,316	88	7,228	553.00	563.32	18.00	6,129.68		5,858.31
							Less : collective adjustment	1.47594%	86.47
							Council Tax Base for Denby Dale Parish Council - Chargeable Dwellings Band 'D' Equivalent		5,771.84

Kirklees Metropolitan Council

Council Tax Base Calculation for area of Holme Valley Parish Council 2019/2020

APPENDIX C

2019/2020

Less :
collective
adjustment

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 100% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A Disabled	5	0	5	0.50	0.82	0.00	3.68	5	2.04
A	2,709	41	2,668	331.25	630.35	23.00	1,729.40	6	1,152.93
B	2,161	31	2,130	203.75	115.09	16.00	1,827.16	7	1,421.12
C	2,649	30	2,619	201.25	58.97	9.00	2,367.78	8	2,104.69
D	1,658	17	1,641	99.00	18.03	2.00	1,525.97	9	1,525.97
E	1,686	15	1,671	71.75	7.11	3.00	1,595.14	11	1,949.62
F	939	4	935	34.50	1.78	1.00	899.72	13	1,299.60
G	415	1	414	14.00	0.71	1.00	400.29	15	667.15
H	14	1	13	0.25	0.00	0.00	12.75	18	25.50
	12,236	140	12,096	956.25	832.86	55.00	10,361.89		10,148.62
							Less : collective adjustment	1.47594%	149.79
							Council Tax Base for Holme Valley Parish Council - Chargeable Dwellings Band 'D' Equivalent		9,998.83

Kirklees Metropolitan Council
Council Tax Base Calculation for area of Kirkburton Parish Council 2019/2020

APPENDIX D
2019/2020

Less :
collective
adjustment

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 100% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A Disabled	3	0	3	0.25	0.69	0.00	2.06	5	1.14
A	2,326	144	2,182	265.50	532.23	13.00	1,397.27	6	931.51
B	1,999	25	1,974	197.00	97.18	9.00	1,688.82	7	1,313.53
C	2,486	22	2,464	163.50	49.79	7.00	2,257.71	8	2,006.85
D	1,761	109	1,652	88.75	15.23	4.00	1,552.02	9	1,552.02
E	1,377	4	1,373	54.50	6.00	0.00	1,312.50	11	1,604.17
F	735	4	731	23.75	1.50	2.00	707.75	13	1,022.31
G	362	3	359	10.75	0.60	0.00	347.65	15	579.42
H	17	0	17	0.50	0.00	0.00	16.50	18	33.00
	11,066	311	10,755	804.50	703.22	35.00	9,282.28		9,043.95

Less : collective adjustment 1.47594% 133.48

Council Tax Base for Kirkburton Parish Council - Chargeable Dwellings Band 'D' Equivalent **8,910.47**

Less :
collective
adjustment

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 100% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A Disabled	1	0	1	0.00	0.33	0.00	0.67	5	0.37
A	1,248	21	1,227	152.75	251.59	8.00	830.66	6	553.77
B	532	6	526	49.75	45.94	1.00	431.31	7	335.46
C	965	5	960	68.25	23.54	3.00	870.70	8	773.96
D	415	2	413	20.25	7.20	1.00	386.55	9	386.55
E	430	3	427	17.00	2.84	0.00	407.16	11	497.64
F	156	0	156	6.25	0.71	1.00	150.04	13	216.72
G	56	0	56	1.00	0.28	0.00	54.72	15	91.20
H	4	0	4	0.50	0.00	0.00	3.50	18	7.00
	3,807	37	3,770	315.75	332.43	14.00	3,135.31		2,862.67
							Less : collective adjustment	1.47594%	42.25
							Council Tax Base for Meltham Parish Council - Chargeable Dwellings Band 'D' Equivalent		2,820.42

Kirklees Metropolitan Council
Council Tax Base Calculation for area of Mirfield Parish Council 2019/2020

APPENDIX F

2019/2020

Less :
collective
adjustment

Tax Band	Number of Properties	Number of Exempt Properties	Number of Taxable Properties	Number of Properties with Discounts Equated to 25% Discount	Reduction in Tax Base due to Council Tax Reduction	Number of Properties with Empty premium Equated to 100% extra charge	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A Disabled	3	0	3	0.25	0.84	0.00	1.91	5	1.06
A	2,555	53	2,502	331.50	644.44	14.00	1,539.68	6	1,026.46
B	1,468	17	1,451	147.50	117.67	4.00	1,189.83	7	925.42
C	2,579	28	2,551	176.50	60.28	2.00	2,316.22	8	2,058.86
D	1,127	9	1,118	61.50	18.44	2.00	1,040.06	9	1,040.06
E	788	6	782	36.25	7.27	0.00	738.48	11	902.59
F	359	0	359	11.50	1.82	0.00	345.68	13	499.32
G	152	0	152	5.00	0.73	0.00	146.27	15	243.78
H	13	2	11	1.25	0.00	0.00	9.75	18	19.50
	9,044	115	8,929	771.25	851.49	22.00	7,327.88		6,717.05
							Less : collective adjustment	1.47594%	99.14
							Council Tax Base for Mirfield Parish Council - Chargeable Dwellings Band 'D' Equivalent		6,617.91