

Name of meeting: Cabinet 26 January 2021/Council 10 February 2021

Title of report: Calculation of Council Tax Base 2021/22

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 2021/22 in connection with the Council Tax.

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</u> (key decisions and private reports?)	Yes 09 June 2020
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, Commissioning and Public Health – 14 January 2021 Eamonn Croston Service Director, Finance – 14 January 2021 Julie Muscroft , Service Director – Legal, Governance and Commissioning – 14 January 2021
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

- 2.1 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 location taxation becomes an arithmetical exercise.
- 2.2 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.

- 2.3 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 the Empty Homes premiums (long term empty properties, empty over 2 years, over 5 years and over 10 years) subject to premium charge(s). For the purposes of this report it is assumed there is no change to empty property premium, although the Council may review the effect of the policy in 2021.
- 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 2020/21 at 20%.
- h) An allowance for losses on collection.

2.4 For the purpose of calculating the council tax base, it should be noted that this year there will be an overall reduction on the level of the tax base; due in large part to the forecast impact of COVID-19 on the economy and consequential impact on housing growth, income collection rates and the increase in number of eligible Council Tax Reduction claimants.

2.5 The tax base figure based on 30th November 2020 figures is 122,558.94. A collective adjustment has been made to the current Council Tax base (CTB) as at 30th November 2020 to reflect the calculated tax base for 2021/22

2.6 Allowing for the factors above the overall collective adjustment for 2021/22 has been calculated at 2.759%. 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 10 February 2021.

2.7 It is recommended that the 2021/22 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	119,177.54
Denby Dale	5,784.34
Holme Valley	10,092.94
Kirkburton	8,936.65
Meltham	2,834.30
Mirfield	6,611.24

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

2.8 A Council grant had 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. This grant had been maintained at the 2013/14 level, over successive years. However, over this period, Parish (CTB's) had grown to the extent where the original purpose of the grant was no longer justified.

As part of previous year's approved CTB, Council approved the phasing out of the grant, the phasing dependent on the extent of individual Parish CTB growth over the intervening period. However, it is acknowledged that in light of COVID-19 impact on Council local tax revenues, 2021/22 represents a highly untypical year. Based on the tax bases recommended in this report, the parish grants payable in 2021/22 will be:

Denby Dale: £503.89
Kirkburton: £1,687.83
Meltham: £419.77
Mirfield: £3,873.60

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

3.2 Placed based working

N/A

3.3 Climate Change & Air Quality

N/A

3.4 Improving Outcomes for Children

N/A

3.5 Reducing demand of services

N/A

3.6 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. There are no legislative changes that materially impact on the CTB for 2021/22.

The parish grants payable in 2021/22 will be funded from general fund central budget contingencies.

4. Consultees and their opinions

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 for recommendation to Budget Council on 10 February 2021
- The Council Tax Base forms part of agreeing the level of Council Tax for 2021/22- Budget Council on 10 February 2021
- The Council Tax base recommendation to be incorporated into the overall annual budget report 2021/22 presented at Budget Council - 10 February 2021

6. Officer recommendations and reasons

It is recommended that the 2021/22 Council Tax base for the whole of the Kirklees area, and the Council Tax bases for the five Parish and Town council areas as set out in this report be approved by Cabinet.

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 Councils for 2021/22 as set out in this report.

8. Contact officer

Steve Bird – Head of Welfare and Exchequer Services
Victoria Brook - Senior Manager, Welfare & 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

Council Tax Base Calculation for whole of Kirklees 2021/2022 - APPENDIX A

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% 200% extra charge	Family Annex	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)	(11)
A Disabled	109	0	109	8.75	27.92	0.00	0.00	72.33	5	40.18
A	85,443	2,840	82,603	10,314.75	18,780.62	580.00	5.38	54,082.25	6	36,054.83
B	34,983	579	34,404	3,089.00	3,445.54	188.00	0.50	28,056.96	7	21,822.08
C	32,067	401	31,666	2,206.25	1,764.07	87.00	0.50	27,782.18	8	24,695.27
D	17,080	268	16,812	936.75	564.94	26.00	0.00	15,336.31	9	15,336.31
E	11,967	100	11,867	505.25	239.40	24.00	0.00	11,146.35	11	13,623.32
F	5,405	42	5,363	222.25	68.57	12.00	0.00	5,084.18	13	7,343.82
G	2,175	20	2,155	87.50	27.12	15.00	0.00	2,055.38	15	3,425.63
H	120	1	119	11.25	0.00	1.00	0.00	108.75	18	217.50
	189,349	4,251	185,098	17,381.75	24,918.18	933.00	6.38	143,724.69		122,558.94
								Less : collective adjustment	2.759%	3381.40
									Council Tax Base for KMC - Chargeable Dwellings Band 'D' Equivalent	119,177.54

Council Tax Base Calculation for area of Denby Dale Parish Council 2021/2022 - APPENDIX B

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% 200% extra charge	Family Annex	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Less: collective adjustment Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
A Disabled	6	0	6	0.25	1.41	0.00	0.00	4.34	5	2.41
A	1,942	34	1,908	232.75	351.37	7.00	0.00	1,330.88	6	887.25
B	1,247	14	1,233	122.25	96.19	9.00	0.00	1,023.56	7	796.10
C	1,223	17	1,206	92.25	49.37	1.00	0.00	1,065.38	8	947.00
D	1,434	9	1,425	78.75	30.57	1.00	0.00	1,316.68	9	1,316.68
E	978	5	973	39.75	12.11	0.00	0.00	921.14	11	1,125.84
F	420	3	417	20.25	3.32	2.00	0.00	395.43	13	571.18
G	175	2	173	6.25	1.75	0.00	0.00	165.00	15	275.00
H	14	0	14	0.50	0.00	0.00	0.00	13.50	18	27.00
	7,439	84	7,355	593.00	546.09	20.00	0.00	6,235.91		5,948.46
								Less : collective adjustment	2.759%	164.12
									Council Tax Base for Denby Dale Parish Council - Chargeable Dwellings Band 'D' Equivalent	5,784.34

Council Tax Base Calculation for area of Holme Valley Parish Council 2021/2022 - APPENDIX C

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% 200% extra charge	Family Annex	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Less : collective adjustment Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
A Disabled	5	0	5	0.50	2.35	0.00	0.00	2.15	5	1.19
A	2,713	52	2,661	350.25	475.78	25.00	0.76	1,859.21	6	1,239.47
B	2,170	29	2,141	219.75	136.95	18.00	0.00	1,802.30	7	1,401.79
C	2,677	24	2,653	214.75	101.88	14.00	0.00	2,350.37	8	2,089.22
D	1,700	14	1,686	105.50	37.63	5.00	0.00	1,547.87	9	1,547.87
E	1,734	15	1,719	75.00	24.80	4.00	0.00	1,623.20	11	1,983.91
F	1,009	5	1,004	33.75	5.43	1.00	0.00	965.82	13	1,395.07
G	434	3	431	13.25	4.98	2.00	0.00	414.77	15	691.28
H	15	0	15	0.25	0.00	0.00	0.00	14.75	18	29.50
	12,457	142	12,315	1,013.00	789.80	69.00	0.76	10,580.44		10,379.30
								Less : collective adjustment	2.759%	286.36
									Council Tax Base for Holme Valley Parish Council - Chargeable Dwellings Band 'D' Equivalent	10,092.94

Council Tax Base Calculation for area of Kirkburton Parish Council 2021/2022 - APPENDIX D

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% 200% extra charge	Family Annex	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Less : collective adjustment Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
A	2	0	2	0.25	0.64	0.00	0.00	1.11	5	0.62
Disabled A	2,333	148	2,185	269.25	381.70	14.00	0.00	1,548.05	6	1,032.03
B	2,027	29	1,998	210.25	148.68	9.00	0.00	1,648.07	7	1,281.83
C	2,522	26	2,496	177.50	89.54	4.00	0.00	2,232.96	8	1,984.85
D	1,777	116	1,661	94.00	31.38	4.00	0.00	1,539.62	9	1,539.62
E	1,480	8	1,472	59.50	16.21	1.00	0.00	1,397.29	11	1,707.80
F	746	3	743	28.00	6.82	0.00	0.00	708.18	13	1,022.93
G	369	3	366	11.75	1.13	0.00	0.00	353.12	15	588.53
H	17	0	17	1.00	0.00	0.00	0.00	16.00	18	32.00
	11,273	333	10,940	851.50	676.10	32.00	0.00	9,444.40		9,190.21
								Less : collective adjustment	2.759%	253.56
									Council Tax Base for Kirkburton Parish Council - Chargeable Dwellings Band 'D' Equivalent	8,936.65

Council Tax Base Calculation for area of Meltham Parish Council 2021/2022 - APPENDIX E

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% 200% extra charge	Family Annex	Effect of Discounts & Empty premium on Number of Taxable Properties	Fixed Ratio (9ths)	Less : collective adjustment Band 'D' Equivalent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
A Disabled	2	0	2	0.25	0.55	0.00	0.00	1.20	5	0.67
A	1,260	23	1,237	160.25	265.18	13.00	0.00	824.57	6	549.71
B	523	5	518	53.50	29.65	3.00	0.00	437.85	7	340.55
C	983	12	971	75.50	29.25	0.00	0.50	865.75	8	769.56
D	441	2	439	25.25	9.76	1.00	0.00	404.99	9	404.99
E	464	3	461	17.00	7.35	1.00	0.00	437.65	11	534.91
F	156	0	156	6.75	1.33	0.00	0.00	147.92	13	213.66
G	56	0	56	1.00	0.00	0.00	0.00	55.00	15	91.67
H	5	0	5	0.50	0.00	0.00	0.00	4.50	18	9.00
	3,890	45	3,845	340.00	343.07	18.00	0.50	3,179.43		2,914.72
								Less : collective adjustment	2.759%	80.42
									Council Tax Base for Meltham Parish Council - Chargeable Dwellings Band 'D' Equivalent	2,834.30

Council Tax Base Calculation for area of Mirfield Parish Council 2021/2022 - APPENDIX F

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% 200% extra charge	Family Annex	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)	(11)
A Disabled	3	0	3	0.00	0.00	0.00	0.00	3.00	5	1.67
A	2,572	47	2,525	350.50	575.12	20.00	0.38	1,619.00	6	1,079.33
B	1,452	17	1,435	150.75	110.70	6.00	0.00	1,179.55	7	917.43
C	2,613	26	2,587	190.00	101.94	1.00	0.00	2,296.06	8	2,040.94
D	1,155	13	1,142	65.75	26.16	0.00	0.00	1,050.09	9	1,050.09
E	817	4	813	42.75	14.85	0.00	0.00	755.40	11	923.27
F	371	2	369	11.25	3.62	0.00	0.00	354.13	13	511.52
G	159	0	159	6.00	1.46	0.00	0.00	151.54	15	252.57
H	13	1	12	2.00	0.00	1.00	0.00	11.00	18	22.00
	9,155	110	9,045	819.00	833.85	28.00	0.38	7,419.77		6,798.82
								Less : collective adjustment	2.759%	187.58
									Council Tax Base for Mirfield Parish Council - Chargeable Dwellings Band 'D' Equivalent	6,611.24