

**Name of meeting: Cabinet 17<sup>th</sup> January 2023**

**Title of report: Calculation of Council Tax Base 2023/24**

**Purpose of report:** To seek approval of the Cabinet for the various tax bases, this will apply to the Kirklees area for the financial year 2023/24 in connection with the Council Tax.

<b>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?</b>	<b>Yes: The calculation of the Council Tax base affects all wards in the Kirklees area.</b>
<b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports?)</u></b>	<b>Yes</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by <u>Strategic Director</u> &amp; name</b>	<b>Rachel Spencer-Henshall</b> , Strategic Director, Corporate Strategy, Commissioning and Public Health – 3 January 2023
<b>Is it also signed off by the Service Director for Finance IT and Transactional Services?</b>	<b>Eamonn Croston</b> Service Director, Finance – 3 January 2023
<b>Is it also signed off by the Service Director for Legal Governance and Commissioning Support?</b>	<b>Julie Muscroft</b> , Service Director – Legal, Governance and Commissioning – 3 January 2023
<b>Cabinet member <u>portfolio</u></b>	<b>Cllr Paul Davies</b>

**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 originally requires that the tax base for Council Tax should be approved by the Authority. The regulations covering setting the tax base are covered and updated under Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (as amended).

In accordance with s67 (2A) (za) of the Local Government Finance Act 1992 the Value of T (the taxbase) is not a function that can only be discharged by the Authority (Council) and

therefore can be determined by reference to the Cabinet for ratification in order that the process for the calculation of the basic amount of Council Tax in accordance with s 31B of that Act can commence.

A number of Councils take the decision at Cabinet or have delegated it to the section 151 officer and the calculation forms part of the Budget papers.

It has been the practice in Kirklees to take a report to both Cabinet and to Council. Given the very technical nature of this report, and the fact that the calculation anyway forms part of the annual budget papers, this report also requests that Cabinet considers delegating future annual CTB calculations, from 2024/25 onwards to the Council's s151 officer in consultation with the Corporate Portfolio-holder.

## **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 (CTB) 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 Council 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.
- 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 2022/23 at 20%.
- h) An allowance for losses on collection.

2.4 The current tax base figure based on 30<sup>th</sup> November 2022 figures is 124,351.07. A collective adjustment has then been made to this current Council Tax base (CTB) to reflect the issues to be considered in paragraph 2.3 above, to then determine a calculated tax base for 2023/24.

2.5 Allowing for the factors set out in paragraphs 2.3 to 2.4 above, an overall collective adjustment for 2023/24 has been calculated at 0.91% rounded (equivalent overall adjustment for 2022/23 was also 0.91% rounded) to arrive at the 2023/24 CTB (Band 'D' equivalent) at 123,215.79; a net increase of 1,309.79 Band 'D' equivalent, compared to 2022/23 equivalent CTB at 121,906.00. The net increase assumes the continuation of current income collection performance in line with the target 98.5%, and factors in an overall reduction in eligible households claiming Council Tax Reduction (CTR) based on a rolling 12 month trend from a peak of 25k households, to just under 24k households (equivalent to 700 Band D equivalent growth added back to the CTB), and the balance of CTB growth estimate at about 610 Band D equivalents again based on rolling 12 month trends. These estimates are considered to be reasonable and prudent, and acknowledges the changing broader cost of living impacted economic landscape as the continuing backdrop to the predicted CTB in 2023/24. The CTB as set out in this report will be used to inform the demand on the collection fund amount to be considered at Budget Council on 8th March 2023.

2.6 It is recommended that the 2023/24 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	123,215.79
Denby Dale	6,093.41
Holme Valley	10,482.86
Kirkburton	9,229.12
Meltham	2,997.86
Mirfield	6,904.95

The relevant Appendices are set out in this report which show the CTB estimates, net of the collective adjustment for 2023/24, across the whole district, and for the specific 5 Parish & Town Councils.

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**

- 2.7 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. Based on the tax bases recommended in this report, there are no remaining parish grants payable in 2023/24.

## **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. The current Council CTR Scheme reduces liability to eligible claimants by up to 20%.

### **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 taxbase 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 CTB setting process, as any changes will materially affect the CTB. Any legislative changes (if any) have been considered and incorporated in the CTB setting process.

The Council has a statutory duty to set the Council Tax base for 2023/24 by 31 January 2023.

Section 31 B of the Local Government Finance Act 1992 (LGFA 1992) (inserted by s.74 Localism Act 2011) and the Local Authorities (Calculation of the Council Tax base ) (England ) Regulations 1992(as amended ) impose a duty on billing authorities to calculate the amount to be the council tax base each year by applying a statutory formula . The Council Tax base must be calculated between 1<sup>st</sup> December 2022 and 31 January 2023 and the council must notify major precepting authorities of its council tax base calculation for 2023/24 by 31 January 2023.

Section 67 (2a) (a) of the LGFA 1992 was amended by S 84 of the Local Government Act 2003 and so the calculation of the council tax base used to set council taxes no longer requires approval by full council . The cabinet can make this decision and delegate it to the section 151 Officer .

The Council must have regard to its public sector equality duty under section 149 of the Equality Act 2010 .

## **4. Consultees and their opinions**

N/A

## **5. Next steps**

Cabinet to agree Council Tax base for subsequent recommendation to note at

Council on 22 February 2023. The CTB as set out in this report will then be used to inform the demand on the collection fund amount to be considered at Budget Council on 8th March 2023.

## **6. Officer recommendations and reasons**

To meet the requirements of Section 67(2) of the Local Government Finance Act 1992 , which requires that the tax base for Council Tax should be approved by the Authority, it is recommended that :

Cabinet note the report and appendices to this report and approve the 2023/24 Council Tax base (CTB) for the whole of the Kirklees area, at 123,215.79, and the Council Tax bases for the five Parish and Town council areas as set out in this report and accompanying Appendices.

Cabinet approve the proposal to delegate future annual CTB calculations, from 2024/25 onwards to the Council's s151 officer in consultation with the Corporate Portfolio-holder , given the very technical nature of this report, and the fact that the calculation anyway forms part of the annual budget papers for member consideration at Budget Council.

## **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 2023/24 as set out in this report.

## **8. Contact officer**

Sarah Brown – Acting Head of Welfare and Exchequer Services  
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Mark Stanley – Senior Manager Welfare and Exchequer Services  
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## **9. Background Papers and History of Decisions**

N/A

## **10. Service Director responsible**

Eamonn Croston – Service Director, Finance  
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## Council Tax Base Calculation for whole of Kirklees 2023/2024 - APPENDIX A

Tax Band (1)	Number of Properties (2)	Number of Exempt Properties (3)	Number of Taxable Properties (4)	Number of Properties with Discounts Equated to 25% Discount (5)	Reduction in Tax Base due to Council Tax Reduction (6)	Number of Properties with Empty premium Equated to 100% 200% 300% extra charge (7)	Family Annex (8)	Effect of Discounts & Empty premium on Number of Taxable Properties (9)	Fixed Ratio (9ths) (10)	Less : collective adjustment Band 'D' Equivalent (11)
<b>A Disabled</b>	141	0	141	12.25	36.74	0.00	0.00	92.01	5	<b>51.12</b>
<b>A</b>	85,697	2,830	82,867	10,586.50	18,150.45	589.00	5.30	54,713.75	6	<b>36,475.83</b>
<b>B</b>	35,078	653	34,425	3,195.25	3,252.76	158.00	0.50	28,134.49	7	<b>21,882.38</b>
<b>C</b>	32,562	644	31,918	2,306.50	1,614.92	84.00	1.00	28,079.58	8	<b>24,859.63</b>
<b>D</b>	17,470	355	17,115	989.50	503.28	31.00	0.00	15,653.22	9	<b>15,653.22</b>
<b>E</b>	12,293	110	12,183	534.25	203.40	26.00	0.00	11,471.35	11	<b>14,020.54</b>
<b>F</b>	5,552	49	5,503	222.00	58.97	19.00	0.00	5,241.03	13	<b>7,570.38</b>
<b>G</b>	2,237	23	2,214	96.25	24.17	10.00	0.00	2,103.58	15	<b>3,505.97</b>
<b>H</b>	125	1	124	11	0.00	3.00	0.00	116.00	18	<b>232.00</b>
	<b>191,155</b>	<b>4,665</b>	<b>186,490</b>	<b>17,953.50</b>	<b>23,844.69</b>	<b>920.00</b>	<b>6.80</b>	<b>145,605.01</b>		<b>124,351.07</b>
								<b>Less : collective adjustment</b>	<b>0.91296%</b>	<b>1,135.28</b>
								<b>Council Tax Base for KMC - Chargeable Dwellings Band 'D' Equivalent</b>		<b>123,215.79</b>

## Council Tax Base Calculation for area of Denby Dale Parish Council 2023/2024 - APPENDIX B

Tax Band (1)	Number of Properties (2)	Number of Exempt Properties (3)	Number of Taxable Properties (4)	Number of Properties with Discounts Equated to 25% Discount (5)	Reduction in Tax Base due to Council Tax Reduction (6)	Number of Properties with Empty premium Equated to 100% 200% 300% extra charge (7)	Family Annex (8)	Effect of Discounts & Empty premium on Number of Taxable Properties (9)	Fixed Ratio (9ths) (10)	Less : collective adjustment Band 'D' Equivalent (11)	
<b>A Disabled</b>	7	0	7	0.00	2.35	0.00	0.00	4.65	5	<b>2.58</b>	
<b>A</b>	1,941	34	1,907	235.50	330.76	14.00	0.00	1,354.74	6	<b>903.16</b>	
<b>B</b>	1,261	14	1,247	128.25	81.03	7.00	0.00	1,044.72	7	<b>812.56</b>	
<b>C</b>	1,242	11	1,231	95.50	41.01	5.00	0.00	1,099.49	8	<b>977.32</b>	
<b>D</b>	1,476	11	1,465	86.50	24.11	2.00	0.00	1,356.39	9	<b>1,356.39</b>	
<b>E</b>	1,019	9	1,010	43.75	9.07	0.00	0.00	957.18	11	<b>1,169.89</b>	
<b>F</b>	450	5	445	20.75	2.37	3.00	0.00	424.88	13	<b>613.72</b>	
<b>G</b>	181	1	180	7.25	1.59	1.00	0.00	172.16	15	<b>286.93</b>	
<b>H</b>	14	0	14	0.50	0.00	0.00	0.00	13.50	18	<b>27.00</b>	
	<b>7,591</b>	<b>85</b>	<b>7,506</b>	<b>618.00</b>	<b>492.29</b>	<b>32.00</b>	<b>0.00</b>	<b>6,427.71</b>		<b>6,149.55</b>	
									<b>Less : collective adjustment</b>	<b>0.91296%</b>	<b>56.14</b>
										<b>Council Tax Base for Denby Dale Parish Council - Chargeable Dwellings Band 'D' Equivalent</b>	<b>6,093.41</b>



**Council Tax Base Calculation for area of Holme Valley Parish Council 2023/2024 - APPENDIX C**

<b>Tax Band (1)</b>	<b>Number of Properties (2)</b>	<b>Number of Exempt Properties (3)</b>	<b>Number of Taxable Properties (4)</b>	<b>Number of Properties with Discounts Equated to 25% Discount (5)</b>	<b>Reduction in Tax Base due to Council Tax Reduction (6)</b>	<b>Number of Properties with Empty premium Equated to 100% 200% 300% extra charge (7)</b>	<b>Family Annex (8)</b>	<b>Effect of Discounts &amp; Empty premium on Number of Taxable Properties (9)</b>	<b>Fixed Ratio (9ths) (10)</b>	<b>Less : collective adjustment Band 'D' Equivalent (11)</b>
<b>A Disabled</b>	5	0	5	0.50	2.19	0.00	0.00	2.31	5	<b>1.28</b>
<b>A</b>	2,703	69	2,634	353.50	443.92	26.00	0.70	1,861.88	6	<b>1,241.25</b>
<b>B</b>	2,179	22	2,157	231.25	129.95	12.00	0.00	1,807.80	7	<b>1,406.07</b>
<b>C</b>	2,679	26	2,653	219.75	82.47	11.00	0.00	2,361.78	8	<b>2,099.36</b>
<b>D</b>	1,751	26	1,725	107.75	31.39	4.00	0.00	1,589.86	9	<b>1,589.83</b>
<b>E</b>	1,771	26	1,745	74.50	14.17	5.00	0.00	1,661.33	11	<b>2,030.51</b>
<b>F</b>	1,047	7	1,040	32.50	6.77	2.00	0.00	1,002.73	13	<b>1,448.39</b>
<b>G</b>	460	1	459	16.25	4.81	2.00	0.00	439.94	15	<b>733.23</b>
<b>H</b>	15	0	15	0.25	0.00	0.00	0.00	14.75	18	<b>29.50</b>
	<b>12,610</b>	<b>177</b>	<b>12,433</b>	<b>1,036.25</b>	<b>715.67</b>	<b>62.00</b>	<b>0.70</b>	<b>10,742.38</b>		<b>10,579.45</b>
								<b>Less : collective adjustment</b>	<b>0.91296%</b>	<b>96.59</b>
								<b>Council Tax Base for Holme Valley Parish Council - Chargeable Dwellings Band 'D' Equivalent</b>		<b>10,482.86</b>

## Council Tax Base Calculation for area of Kirkburton Parish Council 2023/2024 - APPENDIX D

Tax Band (1)	Number of Properties (2)	Number of Exempt Properties (3)	Number of Taxable Properties (4)	Number of Properties with Discounts Equated to 25% Discount (5)	Reduction in Tax Base due to Council Tax Reduction (6)	Number of Properties with Empty premium Equated to 100% 200% 300% extra charge (7)	Family Annex (8)	Effect of Discounts & Empty premium on Number of Taxable Properties (9)	Fixed Ratio (9ths) (10)	Less : collective adjustment Band 'D' Equivalent (11)
<b>A Disabled</b>	3	0	3	0.25	0.68	0.00	0.00	2.07	5	1.15
<b>A</b>	2,348	153	2,195	284.25	357.93	21.00	0.00	1,573.82	6	1,049.21
<b>B</b>	2,036	23	2,013	213.25	131.44	11.00	0.00	1,679.31	7	1,306.13
<b>C</b>	2,515	29	2,486	186.75	80.88	6.00	0.50	2,223.87	8	1,976.77
<b>D</b>	1,799	113	1,686	101.25	27.94	5.00	0.00	1,561.81	9	1,561.81
<b>E</b>	1,504	11	1,493	62.00	12.87	1.00	0.00	1,419.13	11	1,734.49
<b>F</b>	760	8	752	25.25	4.80	1.00	0.00	722.95	13	1,044.26
<b>G</b>	380	3	377	12.25	1.25	0.00	0.00	363.50	15	605.83
<b>H</b>	18	0	18	0.75	0.00	0.00	0.00	17.25	18	34.50
	<b>11,363</b>	<b>340</b>	<b>11,023</b>	<b>886.00</b>	<b>617.79</b>	<b>45.00</b>	<b>0.50</b>	<b>9,563.71</b>		<b>9,314.15</b>
								<b>Less : collective adjustment</b>	<b>0.91296%</b>	<b>85.03</b>
								<b>Council Tax Base for Kirkburton Parish Council - Chargeable Dwellings Band 'D' Equivalent</b>		<b>9,229.12</b>

## Council Tax Base Calculation for area of Meltham Parish Council 2023/2024 - APPENDIX E

Tax Band (1)	Number of Properties (2)	Number of Exempt Properties (3)	Number of Taxable Properties (4)	Number of Properties with Discounts Equated to 25% Discount (5)	Reduction in Tax Base due to Council Tax Reduction (6)	Number of Properties with Empty premium Equated to 100% 200% 300% extra charge (7)	Family Annex (8)	Effect of Discounts & Empty premium on Number of Taxable Properties (9)	Fixed Ratio (9ths) (10)	Less : collective adjustment Band 'D' Equivalent (11)	
<b>A Disabled</b>	3	0	3	0.50	1.35	0.00	0.00	1.15	5	<b>0.64</b>	
<b>A</b>	1,262	25	1,237	156.00	261.80	8.00	0.00	827.20	6	<b>551.47</b>	
<b>B</b>	524	4	520	53.75	27.41	3.00	0.00	441.84	7	<b>343.65</b>	
<b>C</b>	1,026	11	1,015	84.25	26.19	2.00	0.50	906.06	8	<b>805.39</b>	
<b>D</b>	467	2	465	25.00	7.53	0.00	0.00	432.47	9	<b>432.47</b>	
<b>E</b>	496	2	494	21.00	7.25	0.00	0.00	465.75	11	<b>569.25</b>	
<b>F</b>	161	1	160	6.25	0.62	0.00	0.00	153.13	13	<b>221.19</b>	
<b>G</b>	57	1	56	1.75	0.00	0.00	0.00	54.25	15	<b>90.42</b>	
<b>H</b>	6	0	6	0.50	0.00	0.00	0.00	5.50	18	<b>11.00</b>	
	<b>4,002</b>	<b>46</b>	<b>3,956</b>	<b>349.00</b>	<b>332.15</b>	<b>13.00</b>	<b>0.50</b>	<b>3,287.35</b>		<b>3,025.48</b>	
									<b>Less : collective adjustment</b>	<b>0.91296%</b>	<b>27.62</b>
										<b>Council Tax Base for Meltham Parish Council - Chargeable Dwellings Band 'D' Equivalent</b>	<b>2,997.86</b>

**Council Tax Base Calculation for area of Mirfield Parish Council 2023/2024 - APPENDIX F**

<b>Tax Band (1)</b>	<b>Number of Properties (2)</b>	<b>Number of Exempt Properties (3)</b>	<b>Number of Taxable Properties (4)</b>	<b>Number of Properties with Discounts Equated to 25% Discount (5)</b>	<b>Reduction in Tax Base due to Council Tax Reduction (6)</b>	<b>Number of Properties with Empty premium Equated to 100% 200% 300% extra charge (7)</b>	<b>Family Annex (8)</b>	<b>Effect of Discounts &amp; Empty premium on Number of Taxable Properties (9)</b>	<b>Fixed Ratio (9ths) (10)</b>	<b>Less : collective adjustment Band 'D' Equivalent (11)</b>
<b>A Disabled</b>	5	0	5	0.00	1.09	0.00	0.00	3.91	5	<b>2.17</b>
<b>A</b>	2,579	56	2,523	354.75	564.90	22.00	0.40	1,624.95	6	<b>1,083.30</b>
<b>B</b>	1,467	19	1,448	154.50	104.21	7.00	0.00	1,196.29	7	<b>930.45</b>
<b>C</b>	2,673	34	2,639	204.50	91.41	4.00	0.00	2,347.09	8	<b>2,086.30</b>
<b>D</b>	1,182	8	1,174	68.75	23.69	0.00	0.00	1,081.56	9	<b>1,081.56</b>
<b>E</b>	874	10	884	45.25	11.24	0.00	0.00	807.51	11	<b>986.96</b>
<b>F</b>	369	4	365	11.75	3.25	0.00	0.00	350.00	13	<b>505.56</b>
<b>G</b>	166	0	166	6.50	0.94	0.00	0.00	158.56	15	<b>264.27</b>
<b>H</b>	14	1	13	2.00	0.00	3.00	0.00	14.00	18	<b>28.00</b>
	<b>9,329</b>	<b>132</b>	<b>9,197</b>	<b>848.00</b>	<b>800.73</b>	<b>36.00</b>	<b>0.40</b>	<b>7,583.87</b>		<b>6,968.57</b>
								<b>Less : collective adjustment</b>	<b>0.91296%</b>	<b>63.62</b>
								<b>Council Tax Base for Mirfield Parish Council - Chargeable Dwellings Band 'D' Equivalent</b>		<b>6,904.95</b>