

Name of meeting: Cabinet 14 January 2020, then Council 15 January 2020

Title of report: Calculation of Council Tax Base 2020/21

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 2020/21 in connection with the Council Tax. There are no proposed changes to the current Council Tax Reduction Scheme (CTRS) for 2020/21.

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 28 June 2019
The Decision - Is it eligible for call in by Scrutiny?	No – Full Council decision
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer-Henshall - 16 December 2019
Is it also signed off by the Service Director for Finance?	Eamonn Croston – 23 December 2019
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	Julie Muscroft – 23 December 2019
Cabinet member <u>portfolio</u>	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 and over 5 years) subject to premium charge(s).
- 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 (CTRS) – continuing the local scheme as in 2019/20 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 Council Tax Base (CTB) as at 30th November 2019. The current tax base figure based on 30th November 2019 figures is 122,585.77. Allowing for the factors above the overall collective adjustment for 2020/21 has been calculated at 1.43407% 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 12 February 2020.

It is recommended that the 2020/21 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	120,827.80
Denby Dale	5,855.94
Holme Valley	10,149.79
Kirkburton	9,047.44
Meltham	2,859.75
Mirfield	6,693.77

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

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 last 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, the remaining grant payable in 2020/21 will be for Mirfield parish Council, at £2,633.64.

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

3.4 Improving Outcomes for Children

N/A

3.5 Reducing demand of services

N/A

3.6 Climate Change

N/A

3.7 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

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 Council on 15th January
- The Council Tax Base forms part of agreeing the level of Council Tax for 2020/21- Budget Council on 12 February 2020.

6. Officer recommendations and reasons

It is recommended that the 2020/21 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 2020/21 as listed in the report.

The Cabinet Portfolio Holder recommends the approval of the 2020/21 Council Tax Base as set out in the report.

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

Council Tax Base Calculation for whole of Kirklees 2020/2021

2020/2021

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% 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	9.75	29.35	0.00	0.00	69.90	5	38.83
A	85,350	3,106	82,244	10,077.50	18,160.75	517.00	4.60	54,518.15	6	36,345.43
B	34,846	589	34,257	2,974.75	3,280.89	188.00	0.50	28,188.86	7	21,924.67
C	31,880	369	31,511	2,122.00	1,666.45	80.00	0.50	27,802.05	8	24,712.93
D	16,867	272	16,595	896.50	515.76	27.00	0.00	15,209.74	9	15,209.74
E	11,805	90	11,715	484.25	211.89	27.00	0.00	11,045.86	11	13,500.50
F	5,303	37	5,266	214.75	52.17	18.00	0.00	5,017.08	13	7,246.89
G	2,149	21	2,128	84.25	20.18	10.00	0.00	2,033.57	15	3,389.28
H	118	1	117	10.25	0.00	2.00	0.00	108.75	18	217.50
	188,427	4,485	183,942	16,874.00	23,937.44	869.00	5.60	143,993.96		122,585.77
									0.00	
										Less : collective adjustment
										1,757.97
									1.43407%	
										Council Tax Base for KMC - Chargeable Dwellings Band 'D' Equivalent
										120,827.80

Council Tax Base Calculation for area of Denby Dale Parish Council 2020/2021

2020/2021

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	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	6	0	6	0.25	0.94	0.00	0.00	4.81	5	2.67
A	1,927	27	1,900	224.00	340.66	4.00	0.00	1,339.34	6	892.89
B	1,245	15	1,230	115.50	85.56	9.00	0.00	1,037.94	7	807.29
C	1,206	12	1,194	89.00	45.32	3.00	0.00	1,062.68	8	944.60
D	1,420	10	1,410	73.50	29.61	1.00	0.00	1,307.89	9	1,307.89
E	969	5	964	37.50	9.99	0.00	0.00	916.51	11	1,120.18
F	414	2	412	21.25	2.02	1.00	0.00	389.73	13	562.94
G	173	0	173	6.25	1.64	0.00	0.00	165.11	15	275.18
H	14	0	14	0.25	0.00	0.00	0.00	13.75	18	27.50
	7,374	71	7,303	567.50	515.74	18.00	0.00	6,237.76		5,941.14
								Less : collective adjustment		85.20
								1.43407% Council Tax Base for Denby Dale Parish Council		5,855.94

Council Tax Base Calculation for area of Holme Valley Parish Council 2020/2021

2020/2021

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	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	5	0	5	0.50	2.50	0.00	0.00	2.00	5	1.11
A	2,711	48	2,663	343.25	457.30	26.00	0.00	1,888.45	6	1,258.97
B	2,158	29	2,129	208.50	125.70	23.00	0.00	1,817.80	7	1,413.84
C	2,664	28	2,636	207.00	98.27	14.00	0.00	2,344.73	8	2,084.20
D	1,666	13	1,653	100.75	37.43	3.00	0.00	1,517.82	9	1,517.82
E	1,714	14	1,700	72.25	23.70	6.00	0.00	1,610.05	11	1,967.84
F	974	5	969	33.00	4.20	1.00	0.00	932.80	13	1,347.38
G	425	3	422	14.50	3.42	2.00	0.00	406.08	15	676.80
H	15	0	15	0.25	0.00	0.00	0.00	14.75	18	29.50
	12,332	140	12,192	980.00	752.52	75.00	0.00	10,534.48		10,297.46
								Less : collective adjustment		147.67
								1.43407%		
								Council Tax Base for Holme Valley Parish Council -		10,149.79

Kirklees Metropolitan Council

APPENDIX D

Council Tax Base Calculation for area of Kirkburton Parish Council
2020/2021

2020/2021

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	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	2	0	2	0.25	0.75	0.00	0.00	1.00	5	0.56
A	2,332	146	2,186	263.00	383.16	17.00	0.00	1,556.84	6	1,037.89
B	2,025	25	2,000	205.75	138.40	7.00	0.00	1,662.85	7	1,293.33
C	2,516	18	2,498	169.00	87.30	4.00	0.00	2,245.70	8	1,996.18
D	1,757	113	1,644	90.00	27.44	6.00	0.00	1,532.56	9	1,532.56
E	1,440	5	1,435	56.75	10.72	2.00	0.00	1,369.53	11	1,673.87
F	742	5	737	25.25	5.95	1.00	0.00	706.80	13	1,020.93
G	367	3	364	9.25	1.00	1.00	0.00	354.75	15	591.25
H	17	0	17	0.75	0.00	0.00	0.00	16.25	18	32.50
	11,198	315	10,883	820.00	654.72	38.00	0.00	9,446.28		9,179.07
								Less : collective adjustment		131.63
								1.43407% Council Tax Base for Kirkburton Parish Council		9,047.44

Kirklees Metropolitan Council

APPENDIX E

Council Tax Base Calculation for area of Meltham Parish Council
2020/2021

2020/2021

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	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	1	0	1	0.00	0.00	0.00	0.00	1.00	5	0.56
A	1,262	20	1,242	155.25	253.72	9.00	0.00	842.03	6	561.35
B	525	6	519	51.25	25.91	1.00	0.00	442.84	7	344.43
C	978	11	967	73.75	30.55	2.00	0.50	864.20	8	768.18
D	427	4	423	22.50	8.36	1.00	0.00	393.14	9	393.14
E	450	4	446	17.25	6.44	0.00	0.00	422.31	11	516.16
F	157	0	157	6.00	1.14	0.00	0.00	149.86	13	216.46
G	56	0	56	0.75	0.00	0.00	0.00	55.25	15	92.08
H	5	0	5	0.50	0.00	0.00	0.00	4.50	18	9.00
	3,861	45	3,816	327.25	326.12	13.00	0.50	3,175.13		2,901.36
								Less : collective adjustment		41.61
								1.43407% Council Tax Base for Meltham Parish Council -		2,859.75

Kirklees Metropolitan Council

APPENDIX F

Council Tax Base Calculation for area of Mirfield Parish Council
2020/2021

2020/2021

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	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	0.25	0.00	0.00	0.00	2.75	5	1.53
A	2,574	46	2,528	342.75	570.42	25.00	0.40	1,639.43	6	1,092.95
B	1,449	14	1,435	148.00	109.42	4.00	0.00	1,181.58	7	919.01
C	2,591	25	2,566	183.75	101.23	1.00	0.00	2,282.02	8	2,028.46
D	1,150	10	1,140	63.25	21.95	2.00	0.00	1,056.80	9	1,056.80
E	807	6	801	40.50	14.66	0.00	0.00	745.84	11	911.58
F	369	1	368	12.50	2.75	0.00	0.00	352.75	13	509.53
G	155	0	155	5.75	0.67	1.00	0.00	149.58	15	249.30
H	13	1	12	2.00	0.00	1.00	0.00	11.00	18	22.00
	9,111	103	9,008	798.75	821.10	34.00	0.40	7,421.75		6,791.16
								Less : collective adjustment		97.39
								1.43407% Council Tax Base for Mirfield Parish Council -		6,693.77