

**BARNSELY METROPOLITAN BOROUGH COUNCIL**

**REPORT OF: EXECUTIVE DIRECTOR OF CORE SERVICES / S151 OFFICER**

**TITLE: CALCULATION OF COUNCIL TAX BASE 2023/2024**

<b>REPORT TO:</b>	<b>CABINET</b>
<b>Date of Meeting</b>	<b>11 January 2023</b>
<b>Cabinet Member Portfolio</b>	<b>Core Services</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Public or Private</b>	<b>Public</b>

**Purpose of report**

This report sets out the criteria to be considered in setting the 2023/24 Council Tax Base.

**Council Plan priority**

Growing Barnsley

**Recommendations**

That Cabinet:-

1. Approve the calculation of the Council's Tax Base for the year 2023/24.
2. Confirms that the Council Tax Base for the year 2023/24 shall be 66,446.80. This figure has been calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

3. Calculated in accordance with the above regulations the Council Tax Base for the year 2023/24 in respect of each Parish being listed in the table below:

<b>Parish Area</b>	<b>Band D equivalent chargeable properties</b>	<b>95% of Band D equivalent chargeable properties</b>
Penistone	4,471.10	4,247.545
Billingley	96.20	91.390
Great Houghton	654.40	621.680
Little Houghton	176.70	167.865
Shafton	929.70	883.215
High Hoyland	68.90	65.455
Hunshelf	167.70	159.315
Langsett	106.40	101.080
Cawthorne	605.90	575.605
Dunford	256.80	243.960
Gunthwaite and Ingbirchworth	308.60	293.170
Thurgoland	799.10	759.145
Tankersley	740.10	703.095
Wortley	311.00	295.450
Oxspring	473.30	449.635
Silkstone	1,218.10	1,157.195
Stainborough	160.50	152.475
Barnsley and other Non-Parish areas	58,399.50	55,479.525
<b>Total</b>	<b>69,944.00</b>	<b>66,446.800</b>

## 1. INTRODUCTION

- 1.1 The Local Government Finance Act 1992 requires the Authority to calculate its Council Tax Base, before 31 January each year, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 1.2 The Valuation List dated 1 April 1993 shows domestic properties within the Borough subject to Council Tax and places each of them into a valuation band between A to H dependent upon a valuation as at an antecedent date of 1 April 1991.
- 1.3 The Council Tax Base is expressed in terms of band D equivalent properties and represents the estimated full year number of chargeable dwellings in the area after allowing for disabled persons relief, discounts and other statutory adjustments.

## 2. PROPOSAL

- 2.1 It is proposed that the Council Tax Base for the year 2023/24 shall be **66,446.80**

2.2 The relevant calculations for each Parish or district are calculated by applying the following formula: -

$$\frac{(H + J) \times E}{G}$$

where:

H is the estimated number of chargeable dwellings in the area and band after taking into account the effect of exemptions and discounts.

J is the amount of any adjustments in respect of changes in the number of chargeable dwellings or discounts calculated by the authority for 2023/24 (see notes at 5.3 below).

F is the number appropriate to each band as set out in Section 5(1) of the Act.

G is the number appropriate to band D as set out in Section 5(1) of the Act. In all cases for 2023/24 this is 9.

2.3 In determining the figure used at point J of the calculations the following aspects have been taken into account: -

- i) a full survey of all properties within authority's tax base was carried out at the commencement of council tax in 1993 to identify those properties entitled to discounts and/or exemptions. Each year further checks are made to ensure that the Council Tax database remains accurate.
- ii) Each claimant's eligibility for discounts/exemptions is thoroughly investigated prior to being awarded, and an ongoing programme to review current recipients is undertaken.
- iii) An assessment of housing growth needs of the borough in accordance with the Local Plan.
- iv) Local knowledge has been used to identify which Parish will see an increase/decrease in the number of properties. This information is then used to obtain the revised number of band D equivalent properties in each area.

### ***Long Term Empty Properties (More Than 2 Years)***

2.4 Local authorities can currently charge owners a premium of 100% (or a 200% council tax charge) on unfurnished properties left empty for 2 year or more. The Council adopted this policy from 1<sup>st</sup> April 2019. There are currently 204 empty properties being charged this premium (a decrease of 44 since last year).

2.5 Furthermore, local authorities can also charge a premium of 200% (or a 300% council tax charge) for any property left empty and substantially unfurnished for a period of five year or more. There are currently 58 empty properties that have

been empty more than five years and will be charged this premium (an increase of 9 since last year).

- 2.6 Since 1 April 2021 the council can also charge a premium of 300% (or a 400% Council Tax charge) for any properties left empty and substantially unfurnished for a period of ten years or more. There are currently 41 properties being charged this premium (an increase of 4 since last year).

### ***Second Homes / Short Term Empty Properties (less than 2 years)***

- 2.7 Local authorities have further discretion to charge Council Tax on second homes and empty properties.
- 2.8 Barnsley Council currently allows a discretionary one-month discount of 100% council tax to landlords with properties that are vacant. The discount is to allow a reasonable period for a landlord to get new tenants into a vacant property.
- 2.9 The overall number of empty properties has reduced in the last 12 months. The Council's empty homes team will continue the focus on supporting landlords with empty properties and to bring long term empty properties back into use.

### ***Local Council Tax Support***

- 2.10 The Council currently operates a local council tax support scheme that provides financial support to eligible claimants. Under the Council Tax Support provisions, the scheme for pensioners is determined by central government whereas the scheme for working age applications is determined locally by the Council.
- 2.11 The Council introduced a new scheme for all eligible working age claimants during 2020. This new scheme provides more targeted support to those in most need and is provided based on a simple "income grid" model where different bands of entitlement are based on individual household circumstances and income.
- 2.12 This scheme is provided as a discount against the council tax due, the total estimated amount to be paid translates into a reduction in the tax base. The council tax base calculated at 5.1 above is net of the reduction made for the estimated cost of the support to be provided.
- 2.13 During the Covid 19 Pandemic the number of households claiming Local Council Tax Support increased significantly. It was anticipated that this would start to reduce as people returned to work during 2021/22, this has not been the case and levels have remained consistent throughout the financial year.

## Cost of Living Crisis

- 2.14 It is anticipated that the cost of living crisis will impact council tax income collection rates as households struggle to meet rising costs. The Council will continue to monitor the situation but slower than anticipated collections could impact the council tax base in 2023/24. The tax base calculated at 5.1 reflects this.

### Example of Calculation – Penistone Town Council

- 2.15 By way of example using the formula in paragraph 5.2 above, the table below shows the calculated tax base for the Penistone Town Council area.

#### PENISTONE

										Area 9
BAND	A-	A	B	C	D	E	F	G	H	TOTAL
H =	1.05	1,175.60	873.45	949.17	803.54	520.84	272.71	150.40	3.00	4,749.76
J =					73.00					73.00
F =	5.00	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	
G =	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	
(H+J) x F/G	0.60	783.70	679.40	843.70	876.50	636.60	393.90	250.70	6.00	4,471.10

COUNCIL TAX CALCULATED IN ACCORDANCE  
WITH PARAGRAPHS 5.2 & 5.3 OF THE REPORT

4471.10

x 95%=

**4,247.545**

### Council Tax base for 2023/24

- 2.16 Appendix A shows the relevant amount for each area. The total of the relevant amounts for 2023/24 for each of the valuation bands is summarised as follows:-

<u>Property Value</u>	<u>Band</u>	<u>Ratio</u>	<u>Band D equivalent chargeable properties</u>
Up to £40,000 with disabled reduction	A-	5/9	99.40
Up to £40,000	A	6/9	28,521.20
£40,001 to £52,000	B	7/9	12,107.60
£52,001 to £68,000	C	8/9	11,030.30
£68,001 to £88,000	D	9/9	10,275.20
£88,001 to £120,000	E	11/9	4,574.90
£120,001 to £160,000	F	13/9	2,182.90
£160,001 to £320,000	G	15/9	1,092.00
More than £320,000	H	18/9	60.50
			69,944.00

- 2.17 The regulations require the authority to adjust the total relevant amount by a proportion which reflects the following: -
- i) Total amounts expected to be paid to the authority under the Local Government Finance Act 1992 less the total of any Council Tax Reductions for the year.
  - ii) Total of amounts in respect of Council Tax Reductions pursuant to directions under Section 98(5) and 98(4) of the 1998 Act.
- 2.18 It is estimated that the appropriate proportion in this respect is 95% and that the Estimated Council Tax Base for the 2023/24 financial year is therefore: -

$$\underline{69,944.00 \times 95\% = 66,446.80}$$

- 2.19 The council tax collection rate applied is considered prudent and considers the anticipated ongoing impact of the cost of living crisis and the impact that the LCTS scheme has on overall collection rates. Any surplus or deficit as compared to the target collection rate, falls into the Council's Collection Fund and ultimately impacts positively or negatively on Council's General Fund Budget.

#### **4. IMPLICATIONS OF THE DECISION**

##### **3.1 Financial and Risk**

The estimated Tax Base of 66,446.80 is used to determine the total Council Tax yield available to support the 2023/24 budget.

The Council Tax Base is a key variable in determining the resources estimated to be available to fund council services. Consequently, the risk of variations to the Council Tax Base including the ongoing impact of the cost of living crisis, have been factored into the 2023/24 Service & Financial Planning process as far as is possible. In addition, the Council Tax Base will be subject to robust monitoring throughout the 2023/24 financial year to identify at an early stage any differences likely to make a material difference to the Council's spending plans.

##### **3.2 Legal**

None

##### **3.3 Equality**

Not applicable – This is a statutory requirement.

### **3.4 Sustainability**

There are no implications of sustainability for the Borough in this cabinet report

### **3.5 Employee**

None

### **3.6 Communications**

Major Preceptors (South Yorkshire Fire and Rescue, South Yorkshire Police and Crime Commissioner and individual Parish Councils) are required to be notified of this decision.

## **4. CONSULTATION**

Not applicable

## **5. ALTERNATIVE OPTIONS CONSIDERED**

Not applicable

## **6. REASONS FOR RECOMMENDATIONS**

Statutory requirement

## **7. GLOSSARY**

None

## **8. LIST OF APPENDICES**

Appendix A – Summary of Relevant Tax Bases by Parish  
Appendix B – Estimated Increase in Chargeable Dwelling  
Appendix C – Summary of Relevant Amounts

## **9. BACKGROUND PAPERS**

The Local Government Finance Act 1992  
The Local Authorities (Calculation of Council Tax Base) Regulations 1992  
The Local Authorities (Calculation of Council Tax Base) SI 3012 (2003)

If you would like to inspect background papers for this report, please email [governance@barnsley.gov.uk](mailto:governance@barnsley.gov.uk) so that appropriate arrangements can be made

## **10. REPORT SIGN OFF**

<b>Financial consultation &amp; sign off</b>	<p>Senior Financial Services officer consulted and date</p> <p><i>This box must be signed to confirm that there are no financial implications. Alternatively, a signed Appendix A outlining the financial implications is required.</i></p>
<b>Legal consultation &amp; sign off</b>	<p>Legal Services officer consulted and date</p> <p><b><i>Jason Field 3/01/23</i></b></p>

**Report Author: Neil Copley**  
**Post: Service Director Finance and Section 151 Officer**  
**Date: 14 December 2022**