BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Cabinet: 14th January 2019 **Report of the Executive Director of Core Services**

CALCULATION OF COUNCIL TAX BASE 2019/20

1. Purpose of Report

1.1 This report sets out the criteria to be taken into account in setting the 2019/20 Council Tax Base.

2. Recommendations

2.1 It is recommended that: -

- **The calculation of the Council's Tax Base for the year 2019/20 be approved;**
- **The Council Tax Base for the year 2019/20 shall be 64,081.54 This figure has been calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012;**
- **Calculated in accordance with the above regulations the Council Tax Base for the year 2019/20 in respect of each Parish being listed in the table below;**
- **The empty property premium is increased to 100% as outlined at para 5.4 of the report.**

Parish Area (by Area Code)	Band D equivalent chargeable properties	95% of Band D equivalent chargeable properties
Penistone	4,414.20	4,193.49
Billingley	97.20	92.34
Great Houghton	665.00	631.75
Little Houghton	195.60	185.82
Shafton	962.60	914.47
High Hoyland	69.50	66.02
Hunshelf	163.30	155.14
Langsett	109.00	103.55
Cawthorne	615.60	584.82
Dunford	251.40	238.83
Gunthwaite and Ingbirchworth	291.40	276.83
Thurgoland	754.70	716.96
Tankersley	634.90	603.15
Wortley	315.90	300.11
Oxspring	469.50	446.03
Silkstone	1,213.60	1,152.92
Stainborough	161.40	153.33
Barnsley and other Non-Parish areas	56,069.45	53,265.98
Total	**67,454.25**	**64,081.54**

3. Introduction/Background

3.1 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.

3.2 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.

3.3 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.

4. Consideration of Alternative Approaches

4.1 The calculation of the Council Tax Base is a statutory requirement and therefore there are no alternative approaches to consider.

5. Proposal and Justification

5.1 It is proposed that the Council Tax Base for the year 2019/20 shall be **64,081.54**

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

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

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 2019/20 (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 2019/20 this is 9.

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

i) a full survey of the 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 survey present recipients is undertaken;

iii) Assessment of the Housing growth needs of the borough in accordance with the proposed Local Plan to be adopted.

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 that are in that particular area.

5.4 Local authorities can also currently charge landlords a premium of 50% (or a 150% council tax charge) on unfurnished properties left empty for 2 years or more. The Council adopted this policy from 1st April 2013. There are currently 216 empty properties being charged this premium.

5.5 The Chancellor of the Exchequer announced in his 2018 autumn budget speech the flexibility to increase this premium to 100% (equivalent to a 200% council tax charge) with effect from 1st April 2019.

5.6 Subject to further details being released by Government it is recommended to increase the empty property premium to 100% to encourage more landlords to bring empty properties back into occupation.

5.7 The new legislation will also allow Local Authorities to further increase the Council Tax empty premiums as follows:

- With effect from 1st April 2020 to increase the premium upto 200% (300% council tax charge) for any properties left empty and substantially unfurnished for a period of five years or more.
- With effect from 1st April 2021 to increase the premium upto 300% (400% council tax charge) for any properties left empty and substantially unfurnished for a period of ten years or more.

Future reports will recommend a proposal for the above nearer the time.

5.8 The total growth in Band D equivalent properties for 2019/20 including the effects of all the above is estimated to be in the region of 1,175**.** This estimate is before any adjustment for Council tax reductions (see paragraph 5.11 – 5.12 below).

Example of Calculation – Penistone Town Council

5.9 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

	BAND	A-	A	B	C	D	E	F	G	H	TOTAL
H	=	1.66	1220.50	890.24	939.53	810.00	508.58	270.07	144.25	2.00	4,786.87
J	=					6.00					6.00
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		0.90	813.70	692.40	835.10	816.00	621.60	390.10	240.40	4.00	4,414.20

COUNCIL TAX CALCULATED IN ACCORDANCE WITH PARAGRAPHS 5.2 & 5.3 OF THE REPORT	4,414.20	x 95% =	**4,193.49**

Tax base for 2019/20

5.10 Appendix A shows the relevant amount for each area. The total of the relevant amounts for 2019/20 for each of the valuation bands is summarised as follows: -

Property Value	**Band**	**Ratio**	**Band D equivalent chargeable properties**
Up to £40,000 with disabled reduction	A-	5/9	110.40
Up to £40,000	A	6/9	30,327.20
£40,001 to £52,000	B	7/9	11,931.00
£52,001 to £68,000	C	8/9	10,549.10
£68,001 to £88,000	D	9/9	7,123.25
£88,001 to £120,000	E	11/9	4,292.40
£120,001 to £160,000	F	13/9	2,030.60
£160,001 to £320,000	G	15/9	1,035.70
More than £320,000	H	18/9	54.60
			67,454.25

5.11 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.

5.12 It is estimated that the appropriate proportion in this respect is 95% and that the Estimated Council Tax Base for the 2019/20 financial year is therefore:-

67,454.25 x 95% = **64,081.54**

5.10 The reduction rate is relatively prudent taking into account the impact that the LCTS scheme has on overall collection rates as well as an estimate of the local empty property discount to be awarded. Moreover, any surplus over and above the target rate, falls into the Council's Collection Fund and is used to support front line Council services.

6. Delivering Sustainable Community Strategy Ambitions and Local Area Agreement Outcomes

6.1 None directly

7. Long Term Sustainability of the Proposal

7.1 None

8. Impact on Local People

8.1 None.

9. Compatibility with European Convention on Human Rights

9.1 None.

10. Promoting Equality and Diversity and Social Inclusion

10.1 None

11. Reduction of Crime and Disorder

11.1 None.

12. Conservation of Biodiversity

12.1 None.

13. Risk Management Issues

13.1 The 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 Tax Base have been factored into the 2019/20 Service & Financial Planning process as far as is possible. In addition, the Tax Base will be subject to robust monitoring throughout the 2019/20 financial year to identify at an early stage any differences likely to make a material difference to the Council's spending plans.

14. Financial Implications

14.1 The estimated Tax Base of 64,081.54 is used to determine the total Council Tax yield available to support the 2019/20 budget.

15. Employee Implications

15.1 None.

16. Glossary

16.1 None.

17. List of Appendices

- Appendix A – Summary of relevant amounts

18. 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 so that appropriate arrangements can be made

Office Contact: **Neil Copley Service Director and Section 151 Officer - Finance**
Date: **5th December 2018**