

# BARNSELY METROPOLITAN BOROUGH COUNCIL

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

Cabinet: 13<sup>th</sup> January 2021

Report of the Executive Director of Core Services  
/ S151 Officer

## CALCULATION OF COUNCIL TAX BASE 2021/22

### 1. Purpose of Report

1.1 This report sets out the criteria to be considered in setting the 2021/22 Council Tax Base.

### 2. Recommendations

2.1 It is recommended that:

- The calculation of the Council's Tax Base for the year 2021/22 be approved;
- The Council Tax Base for the year 2021/22 shall be 65,226.24. 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 2021/22 in respect of each Parish being listed in the table below:

Parish Area	Band D Equivalent Chargeable Properties	95% of Band D Equivalent Chargeable Properties
Penistone	4,407.90	4,187.51
Billingley	97.00	92.15
Great Houghton	653.50	620.83
Little Houghton	183.50	174.33
Shafton	942.70	895.57
High Hoyland	69.10	65.65
Hunshelf	163.80	155.61
Langsett	111.30	105.74
Cawthorne	617.90	587.01
Dunford	251.10	238.55
Gunthwaite and Ingbirchworth	298.30	283.39
Thurgoland	756.90	719.06
Tankersley	690.50	655.98
Wortley	304.20	288.99
Oxspring	465.90	442.61
Silkstone	1,213.10	1,152.45
Stainborough	164.00	155.80
Barnsley and other Non-Parish areas	57,268.50	54,405.01
<b>Total</b>	<b>68,659.20</b>	<b>65,226.24</b>

- That a premium of 300% (400% council tax charge) be applied to properties left empty and substantially unfurnished for longer than 10 years.

### **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 on 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 2021/22 shall be **65,226.24**
- 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 2021/22 (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 2021/22 this is 9.

- 5.3 In determining the figure used at point J of the calculation the following aspects have been taken into account:
  - i) A full survey of the properties within the 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 taxpayer's eligibility for discounts/exemptions is thoroughly investigated prior to being awarded, and an ongoing programme to survey current recipients is undertaken;
- iii) An assessment of the housing growth needs of the borough in accordance with the recently adopted 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 that are in that particular area.

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

- 5.4 Local authorities can currently charge owners a premium of 100% (or a 200% Council Tax charge) on unfurnished properties left empty for 2 years or more. The Council adopted this policy from 1<sup>st</sup> April 2019. There are currently 220 empty properties being charged this premium (a reduction of 68 since last year).
- 5.5 Local authorities can also charge a premium of 200% (equivalent to a 300% council tax charge), for any property left empty and substantially unfurnished for a period of five years or more. There are currently 99 empty properties that have been empty in excess of five years and will be charged this premium (a reduction of 26 since last year).
- 5.6 With effect from 1st April 2021 Councils have the option to charge a premium of up to 300% (400% Council Tax charge) for any properties left empty and substantially unfurnished for a period of ten years or more. There are currently 58 properties that will be affected by imposing this premium.

Future reports will recommend a proposal for the above in due course.

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

- 5.7 Local authorities currently have further discretion to charge Council Tax on second homes and empty properties.
- 5.8 The Council currently allows a discretionary one-month discount of 100% council tax to vacant and unfurnished properties. Following a change at the start of 2020, this discount is provided to landlords to allow a reasonable period of time for them to get new tenants into a property.
- 5.9 The number of empty properties within the Borough has increased over the last 12 months as a result of Covid 19. The Council's empty homes officer will continue the focus on supporting landlords with empty properties.

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

- 5.10 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 applicants is determined locally by the Council.

Pensioners broadly receive the same level of support as was previously available under the Council Tax Benefit scheme.

- 5.11 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 income.
- 5.12 The new scheme also ensured that no existing claimant was worse off than the previous scheme. However, as this support 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.

### **COVID 19**

- 5.13 The Covid 19 pandemic took hold of the country in March 2020. There has been a significant impact on council tax income during 2020/21 as a result of lower than anticipated collection rates and a significant increase in the number of Local Council Tax Support claimants. This has resulted in a further reduction in the council tax base which is anticipated to continue into 2021/22. The base calculated at 5.1 reflects this anticipated impact.

### ***Example of Calculation – Penistone Town Council***

- 5.14 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**

<b>BAND</b>		A-	A	B	C	D	E	F	G	H	TOTAL
H	=	0.90	1203.79	871.30	942.69	797.35	516.53	269.76	147.55	2.00	4751.87
J	=					21.00					21.00
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		0.50	802.50	677.70	837.90	818.40	631.30	389.70	245.90	4.00	4407.90

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

4407.90

x 95% =

**4187.51**

### **Council Tax base for 2021/22**

- 5.15 Appendix A shows the relevant amount for each area. The total of the relevant amounts for 2021/22 for each of the valuation bands is summarised below:

<b><u>Property Value</u></b>	<b><u>Band</u></b>	<b><u>Ratio</u></b>	<b><u>Band D Equivalent Chargeable Properties</u></b>
Up to £40,000 with Disabled Reduction	A-	5/9	99.20
Up to £40,000	A	6/9	29,550.70
£40,001 to £52,000	B	7/9	12,052.90
£52,001 to £68,000	C	8/9	10,813.10
£68,001 to £88,000	D	9/9	8,439.70
£88,001 to £120,000	E	11/9	4,452.40

£120,001 to £160,000	F	13/9	2,101.70
£160,001 to £320,000	G	15/9	1,088.50
More than £320,000	H	18/9	61.00
			68,659.20

5.16 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.

5.17 It is estimated that the appropriate proportion in this respect is 95% and that the Estimated Council Tax Base for the 2021/22 financial year is therefore:

$$68,659.20 \times 95\% = \mathbf{65,226.24}$$

5.18 The reduction is considered prudent taking into account the anticipated ongoing impact of the pandemic 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 the provision of 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 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 Covid 19, have been factored into the 2021/22 Service & Financial Planning process as far as is possible. In addition, the Tax Base will be subject to robust monitoring throughout the 2021/22 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 Council Tax Base of 65,226.24 is used to determine the total Council Tax yield available to support the 2021/22 budget.

### **15. Employee Implications**

- 15.1 None.

### **16. Glossary**

- 16.1 None.

### **17. List of Appendices**

- Appendix A – Summary of Relevant Tax Bases by Parish

### **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)

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