



Doncaster Council

Report

14 January 2020

To the Chair and Members of the
Cabinet

Calculation and Approval of the Council Tax Base for 2020/2021

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

EXECUTIVE SUMMARY

1. This report seeks approval of the Council Tax Base for Doncaster for 2020/2021.
2. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 make arrangements for the setting of the Council Tax. These arrangements include the determination of the Council Tax Base and the regulations prescribe how this calculation should be carried out.
3. The Council Tax Base is used to determine the level of Council Tax for individual properties. It represents the number of properties that will be subject to Council Tax, and which are expressed in terms of their Band D equivalents using a prescribed formula after allowing for the effect of exemptions, discounts, premiums and reliefs.
4. The agreed Tax Base for Doncaster Council for 2020/2021 will be used in the 2020/2021 Budget and Council Tax setting calculation. The Tax Base is also used by the major precepting bodies (South Yorkshire Fire and Rescue and South Yorkshire Police) and the local parish councils to determine their precept requirements and must be set before the end of January in order to meet their requirements.
5. The proposed Council Tax Base for Doncaster for 2020/2021 is **84,141** band D equivalent dwellings. This represents an increase of 1,365 band D equivalent dwellings compared to the current year's Tax Base of 82,776.

EXEMPT REPORT

6. The report is not exempt.

RECOMMENDATIONS

7. It is recommended that Cabinet:
 - i. Approve the calculation of Doncaster Council's Tax Base for the 2020/2021 year as **84,141** band D equivalent dwellings as detailed at **Appendix 1** of this report; and
 - ii. Approve the calculation of Doncaster Council's Tax Base for the 2020/2021 year for each part of its area at parish level as detailed in **Appendix 2** of this report.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. The Council Tax Base is used to determine the level of Council Tax payable by all citizens who are liable to pay Council Tax for the forthcoming year. Council Tax helps to meet the cost of the services provided by Doncaster Council to all its citizens, as well as contributing towards the cost of fire and police services.

BACKGROUND

9. The Council Tax Base is an annual statutory calculation which is used to determine the level of Council Tax for individual properties.

Summary basis of the calculation

10. The Council Tax Base calculation is based on the number of properties in the area falling within each Council Tax property valuation band shown in the Valuation List which is compiled by the Valuation Office Agency. These property totals are then adjusted for the following:-

A reduction for the full year equivalent of:-

- the estimated number of properties that are exempt from Council Tax
- an adjustment for the number of properties which will effectively change band because they have been adapted for a severely disabled person
- an adjustment for possible banding appeals
- the estimated number of discounts multiplied by the appropriate discount percentage
- the estimated amount of Council Tax Support to be awarded
- the estimated number of properties that will be deleted and removed from the Valuation List

An addition for the full year equivalent of:-

- the empty property premiums

- the estimated number of new properties that will be added to the Valuation List.
11. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) using formulae laid down in The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, and the total across all eight bands is calculated.
 12. A final adjustment is required to allow for the estimated loss on collection due to non-collection.
 13. The following paragraphs provide more detail of the Tax Base calculation and the actual figures used to determine the proposed Council Tax Base for Doncaster for 2020/2021 for the various elements of the calculation.

Chargeable Dwellings

14. Properties in England are put into one of eight bands (A-H), depending on the price they would have sold for in April 1991 when Council Tax proposals were first issued by the Government. At that time, the average property value in England was around £80,000 and such a property would be in Band D. For this reason, many of the calculations for the Tax Base are carried out by reference to Band D.
15. The following table shows the number and percentage of dwellings in each Council Tax Band shown in the Valuation List for Doncaster as at 30 November 2019. The charges for the different Council Tax bands have fixed ratios to each other expressed as fractions of the charge for Band D. The table also shows the ratio to Band D as set out in the legislation.

Council Tax Band	Ratio to Band D	Number of properties	Percentage of properties
Band A Adaptations Reduction	5/9 (55.6%)		
Band A	6/9 (66.7%)	81,065	58.42%
Band B	7/9 (77.8%)	25,295	18.23%
Band C	8/9 (88.9%)	15,188	10.95%
Band D	9/9 (100%)	9,380	6.76%
Band E	11/9 (122.2%)	4,630	3.34%
Band F	13/9 (144.4%)	2,146	1.55%
Band G	15/9 (166.7%)	918	0.66%
Band H	18/9 (200%)	130	0.09%
TOTAL		138,752	100.00%

16. Because such a high percentage of dwellings in Doncaster are in the lower bands (87.60% are banded below the average Band of D), this has the effect of considerably reducing the Council's Tax Base.

Exemptions

17. Some properties are exempt from Council Tax because they meet qualifying criteria for prescribed classes of exemption. Taking into account the likely increase in the overall number of properties, it is estimated that there will be a full-year equivalent of **1,747** dwellings exempt from Council Tax next year.

Reductions for adapted properties

18. Where a property has certain specific facilities which are required to meet the needs of a person who is disabled, Council Tax will be charged at one band lower than the actual valuation band of the property. Properties in Band A that meet the qualifying criteria will receive a reduction equivalent to 1/9th of Band D. It is estimated that there will be **763** properties in Doncaster that qualify for a reduction.

Banding Appeals

19. There is no information currently available from the Valuation Office Agency for outstanding banding appeals. From past year information, the number of banding appeals is very low and has no material impact on the Tax Base.

Discounts

20. A discount of 25% is granted if there is only one adult living in a property. Two discounts (i.e. 50%) are granted where all the residents are 'disregarded' persons for Council Tax purposes. There are 48,003 properties which are likely to receive one discount next year and a further 516 properties where two discounts will be granted. This equates to **12,259** properties for Tax Base purposes.

Locally Defined Discounts

21. There are 100 properties that qualify for a locally defined discount for either Care Leavers or having a family annexe. In total their discount relief equates to **83** properties for the Tax Base calculation.
22. The recently awarded local discounts for people affected by the November floods has no impact on the Tax Base as the Council will be fully reimbursed by Central Government for the cost of the discounts.

Empty Homes Premium

23. The Tax Base calculation for 2020/2021 takes into account the increase in the empty homes premium for properties that have been empty for more than 2 years from 50% to 100%; and for properties that have been empty for more than 5 years from 50% to 200%. These increases were approved by Cabinet on 15 October 2019. It is estimated that there will be **350** properties that will have been empty between 2 and 5 years and a further **228** that will have been empty more than 5 years.

Reductions and Additions to the Property Totals

24. The effective number of properties must be adjusted to take into account any properties that may be removed or added to the Valuation List. An analysis of properties expected to be removed or built in the next 15 months to 31 March 2021 has been carried out, having regard to the estimated date of removal or completion and property band. The analysis includes information from Planning, Building Control, street naming and numbering departments and site visits. It is estimated that there will be a net increase of **1,206** additional properties in 2020/2021.

Local Council Tax Support

25. Since the localisation of Council Tax Support in 2013, Council Tax Support has taken the form of a reduction within the Council Tax system. Making reductions part of the Council Tax system reduces a billing authority's Council Tax Base.
26. An estimate of the effect of Doncaster's Local Council Tax Support Scheme on the Council Tax Base has been determined. It is estimated that the Council Tax Support Scheme will reduce the Council Tax Base by **18,717** properties.
27. The 2020/2021 Council Tax Base proposals set out within this report assume there are no changes to Doncaster Council's Local Council Tax Support Scheme for 2020/2021.

Collection Rate

28. For the financial year 2019/20, the Council assumed 98.6% of council Tax would eventually be collected. Due to this projection looking like it will be the most accurate by the end of March 2020, it is considered prudent to assume the same **98.6%** rate again for 2020/2021.

Proposed Tax Base for 2020/2021

29. Based on the assumptions detailed in the preceding paragraphs of this report, the proposed Council Tax Base for 2020/2021 is **84,141**. This represents an increase of 1,365 from the 2019/2020 tax base. The detailed Council Tax Base calculation for Doncaster Council for 2020/2021 is shown at **Appendix 1** to this report.
30. Similar calculations are required for each parish in order to calculate the proportion of the tax base which relates to its area. A schedule of the proposed tax base for each Parish is set out in **Appendix 2**.

OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

31. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 prescribe how the calculation of the Council Tax Base must be carried out. There are no other options.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

32. These are detailed in the table below:-

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>The calculation of the Council Tax Base is a legal requirement and an essential part of the tax setting process which helps to achieve all the Council's corporate objectives.</p>
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	

RISKS AND ASSUMPTIONS

33. Failure to set the Council Tax Base would result in the Council being unable to meet the statutory requirement to notify precepting authorities of the Council Tax Base by 31 January 2020. It may also delay the calculation of the Council Tax charge and the billing and collection processes for 2020/2021.
34. Over estimation of the council tax base would result in a deficit in the tax collected which would need to be made good in full from the council tax in subsequent years. Under estimation would result in a council tax higher than necessary.

LEGAL IMPLICATIONS [Officer Initials: NC Date 12/12/19]

35. In relation to each financial year the Council must calculate a Council Tax Base by strictly following the formula specified by the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The Council Tax Base is required by law to be set by the Council by the 31st January 2020. A Council Tax base is required for a local authority to calculate its basic amount of tax under Section 31B of the Local Government Finance Act 1992 as amended.

FINANCIAL IMPLICATIONS [AT 11/12/19]

36. The Council Tax Base is used as part of the Council Tax setting process in order to calculate the level of Council Tax once the budgetary requirements of the Authority have been determined for the forthcoming financial year. This will be brought back to Council in March 2020.

The difference between the collection rate assumed/estimated in these figures and the collection rate actually achieved will determine any surplus or deficit generated on the collection fund and therefore impacts on the amount available to be distributed to the precepting authorities in future years, including to the Council's General Fund.

HUMAN RESOURCES IMPLICATIONS [Officer Initials KG Date 12/12/2019]

37. There are no HR implications associated with this report.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 11/12/2019]

38. There are no technology implications associated with this report.

HEALTH IMPLICATIONS [Officer Initials: SH Date 13/12/19]

39. Council Tax is a universal charge, however, the choices the council makes in raising revenue will impact on the health of the population. Decision makers should balance the requirement to raise resource as part of the overall funding of council activities and the health benefits that may arise though the use of council tax across a range of service areas (bearing in mind in general 20% of what contributes to health and wellbeing is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due

to the built environment) with the health benefits that directly arise from improving the standard of living for Doncaster residents through ensuring the local council tax burden is fairly distributed.

EQUALITY IMPLICATIONS [Officer Initials: MB Date 11/12/2019]

40. There are no equality implications associated with this report. Council Tax is a universal charge on those people who are liable to pay and therefore does not impact adversely on those with protected characteristics.

CONSULTATION

41. N/A

BACKGROUND PAPERS

42. There are no background papers to this report.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

43. There are no acronyms or abbreviations in this report.

REPORT AUTHOR & CONTRIBUTORS

Marian Bolton
Head of Revenues and Benefits
01302 735341
Marian.bolton@doncaster.gov.uk

Mark West
Senior Revenues and Benefits Officer
01302 735419
Mark.West@doncaster.gov.uk

**Debbie Hogg
Chief Financial Officer
& Director of Corporate Resources**