



Doncaster Council

Report

Date: 17 January 2024

To: To the Chair and Members of the
Cabinet

Report Title: Calculation and Approval of the Council Tax Base for 2024/2025

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 2024/2025.
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 the City of Doncaster Council for 2024/2025 will be used in the 2024/2025 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 the City of Doncaster for 2024/2025 is **86,730** band D equivalent dwellings. This represents an increase of 751 band D equivalent dwellings compared to the current year's Tax Base of 85,979.

EXEMPT REPORT

6. The report is not exempt.

RECOMMENDATIONS

7. It is recommended that Cabinet:
 - i. Approve the City of Doncaster Council's Tax Base for the 2024/2025 year as **86,730** band D equivalent dwellings as detailed at **Appendix 1** of this report; and
 - ii. Approve the City of Doncaster Council's Tax Base for the 2024/2025 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 the City of 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 the City of Doncaster for 2024/2025 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 the City of Doncaster as at 29th November 2023. 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%)	82,376	57.44%
Band B	7/9 (77.8%)	26,874	18.74%
Band C	8/9 (88.9%)	15,973	11.14%
Band D	9/9 (100%)	10,006	6.98%
Band E	11/9 (122.2%)	4,826	3.36%
Band F	13/9 (144.4%)	2,257	1.57%
Band G	15/9 (166.7%)	969	0.68%
Band H	18/9 (200%)	134	0.09%
TOTAL		143,415	100.00%

16. Because such a high percentage of dwellings in Doncaster are in the lower bands (87.32% 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 **2,338** 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 **712** 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 due to their circumstances and not taken into account for Council Tax purposes. There are 50,715 properties which are likely to receive one discount next year and a further 582 properties where two discounts will be granted. This equates to **12,970** properties for Tax Base purposes.

Locally Defined Discounts

21. There are 131 properties that qualify for a locally defined discount for either having a family annexe or being a care leaver. In total, their discount relief equates to **111** properties for the Tax Base calculation.

Empty Homes Premium

22. The Tax Base calculation for 2024/2025 takes into account those properties subject to the empty homes premium. It is estimated that there will be 410 properties that have been empty for more than 2 years but less than 5 years subject to a 100% premium; 130 properties that have been empty for more than 5 years but less than 10 years subject to a 200% premium and lastly 72 properties empty for more than 10 years subject to a 300% premium. These actual 612 premium properties provide an additional 881 net properties benefit to the Tax Base estimate.

Reductions and Additions to the Property Totals

23. 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 2025 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 **1,178** additional properties in 2024/2025.

Local Council Tax Support

24. 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.
25. An estimate of the effect of the City 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 **19,266** actual properties, which equates to **13,283** band D equivalent properties.
26. The 2024/2025 Council Tax Base proposals set out within this report assume there are no changes to the City of Doncaster Council's Local Council Tax Support Scheme for 2024/2025.

Collection Rate

27. For the financial year 2024/2025 the Council has assumed 98.6% of council Tax will eventually be collected.


Proposed Tax Base for 2024/2025

28. Based on the assumptions detailed in the preceding paragraphs of this report, the proposed Council Tax Base for 2024/2025 is **86,730**. This represents an increase of 751 from the 2023/2024 tax base. The detailed Council Tax Base calculation for the City of Doncaster for 2024/2025 is shown at **Appendix 1** to this report.
29. 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

30. 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

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change	✓			

Comments: 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.



Developing the skills to thrive in life and in work



Comments: 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



Making Doncaster the best place to do business and create good jobs



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Building opportunities for healthier, happier and longer lives for all



Comments:
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Creating safer, stronger, greener and cleaner communities where everyone belongs



Comments: 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



Nurturing a child and family-friendly borough




Comments: 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



Building Transport and digital connections fit for the future



Comments: 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

 Promoting the borough and its cultural, sporting, and heritage opportunities	✓			
Comments: 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				
Fair & Inclusive	✓			
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RISKS AND ASSUMPTIONS

31. 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 2024. It may also delay the calculation of the Council Tax charge and the billing and collection processes for 2024/2025.
32. Over estimation of the council tax base would result in a deficit in the tax collected which would need to be recovered from the council tax in subsequent years. Under estimation would result in a council tax higher than necessary.

LEGAL IMPLICATIONS Officer Initials: SRF Date: 15/12/2023

33. 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 before the end of January each year. 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 Officer Initials: CC Date: 14/12/2023

34. 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.

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: SH Date: 15/12/2023

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

TECHNOLOGY IMPLICATIONS Officer Initials: PW Date: 14/12/2023

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

CONSULTATION

37. N/A

BACKGROUND PAPERS

38. There are no background papers to this report.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

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

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