

Part I  
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All Wards

WELWYN HATFIELD BOROUGH COUNCIL  
 CABINET – 9 JANUARY 2018  
 REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT AND  
 CULTURAL SERVICES)

COUNCIL TAX BASE 2018/2019

**1 Executive Summary**

- 1.1 All Local Authorities have to calculate a Council Tax Base for their area each year. The rules which govern how authorities calculate the Council Tax Base are prescribed in the Local Authorities (Calculation of Council Tax Base) Regulations 2012. This report sets out the detailed calculations for the Council's Tax Base for the financial year 2018/2019.
- 1.2 The taxbase for 2018/19 is calculated as 41,363.2 and is 2.58% higher than the approved taxbase for 2017/18.

**2 Recommendation(s)**

- 2.1 That the Council's taxbase of 41,363.2 for the year 2018/2019 be approved, incorporating an overall collection rate of 99.40% (the in-year target remains at 97.7% - see paragraph 3.1.8).
- 2.2 That in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated by the Borough Council as its taxbase for the year 2018/2019 shall be 41,363.2 and its constituent elements shall be:

	<u>100% TAXBASE</u>	<u>99.40% TAXBASE</u>
Welwyn Garden City	16,901.5	16,800.1
Hatfield	11,507.7	11,438.7
Welwyn	4,622.8	4,595.1
Ayot St Lawrence	70.8	70.4
Ayot St Peter	115.1	114.4
North Mymms	4,367.1	4,340.9
Essendon	433.2	430.6
Northaw & Cuffley	3,059.7	3,041.3
Woolmer Green	534.9	531.7
<b>Total</b>	<b>41,612.8</b>	<b>41,363.2</b>

### **3 Explanation**

#### **3.1 Calculation of Tax Base**

3.1.1 On an annual basis, all local authorities are required to calculate a Council Tax Base which is used to set the level of Council Tax. The process is governed by the Local Authorities' (Calculation of Tax Base) Regulations 2012.

3.1.2 The tax base is set having regard to:

- The Valuation List as at 30 November;
- Current exemptions, reductions and discounts, inclusive of Council Tax Support;
- Discretionary discounts;
- Anticipated developments that may occur during the year;
- Expected long term collection rate.

3.1.3 Calculations are made of the 'relevant amount' for the year in respect of the valuation bands shown in the Council's Valuation List. For each band, this amount represents the estimated full year equivalent number of chargeable dwellings listed in the band, after taking into account the impact of disabled band reductions and discounts.

3.1.4 The 'relevant amounts' for each band are then aggregated and expressed as an equivalent number of band D dwellings.

3.1.5 The Council then multiplies this aggregate of all relevant amounts by the estimated collection rate for the year. The resulting figure is the Council Tax Base for the year.

3.1.6 The rules for calculating the Council Tax Base for any part of a Council's area (eg, a parish, or that part of its area to which a levy or special levy relates) are the same as the rules for calculating the Council Tax Base for the whole of its area for that year, and the same estimated collection rate must be used.

3.1.7 The estimate of the collection rate, the projected growth in properties and changes to discounts and exemptions are the only areas over which the Council has any discretion. Even in these areas, however, discretion is limited in that any estimate must be a realistic one.

3.1.8 To ensure the Council is maximising its income from the Collection Fund in the year of billing, additional analysis has been undertaken on the Councils collection rate. The Councils in year target for collection is 97.7%, and there are no proposals to amend this target. However, when setting the taxbase, it is the ultimate collection rate that should be used, and based on prior year analysis, it is recommended that this is changed to 99.4%.

3.1.9 There are an additional 385 properties banded for council tax purposes since the November 2016 taxbase, which has led to an increase in the taxbase.

3.1.10 An estimated increase of 321 has been included for the number of expected new properties during the 2017/18 year. This is based on 80% of the expected new

properties coming onto the valuation list during the year, which is further adjusted on the assumption that the properties will not be in the list for the whole financial year.

3.1.11 An assumption has also been built into the calculation for exempt student properties. This has been based on local knowledge and student figures for previous years, and a forecast forward of current year exemptions, as less student exemptions apply over the summer months.

3.1.12 Applying the relevant methodology and the above judgements with regard to collection rate and growth in the taxbase, results with an estimated taxbase for 2018/19 of 41,363.2, which is 2.58% higher than the estimated taxbase for 2017/18. A summary of the Tax Base calculation is included in Appendix A.

## 3.2 Notification of Tax Base

### 3.2.1 Precepting Authorities and Levying Bodies

Between 1 and 31 January, major precepting authorities and levying bodies must notify the billing authority of their precept requirements for those parts of their area for which tax base figures are required.

Local precepting authorities may request information on their tax base during the same period.

### 3.2.2 Billing Authority

Between 1 December and 31 January, the Council must notify the tax base calculations to the appropriate bodies.

## **Implications**

### **4 Legal Implication(s)**

4.1 In accordance with the Local Government Finance Act 1992 s. 30(1), billing authorities are required to carry out the necessary calculation of their tax base and to set an amount of council tax for each financial year and for each category of dwelling.

4.2 The Local Government Finance Act 2012 imposed a duty on local billing authorities to introduce a localised council tax reduction scheme, which will need to protect support for vulnerable people, pensioners and support the reduction of poverty.

### **5 Financial Implication(s)**

5.1 The council tax base is the measure in the council tax system of the relative taxable capacity of different areas. The taxbase shown in the recommendation of this report will be used in the 2018/19 council tax setting.

5.2 The tax base of 41363.2 is 2.58% higher than the 2017/18 taxbase and higher than the estimate provided in the Medium Term Financial Strategy for 2018/19 and onwards.

**6 Risk Management Implications**

- 6.1 A risk assessment has not been prepared in relation to the proposal in this report as there are no significant risks inherent in the proposals.
- 6.2 The risk of the actual taxbase in 2018/19 being different to the estimated taxbase is managed and accounted for in the collection fund and by incorporating an assumption for non-collection in the calculation of the taxbase. An under-achievement in taxbase will result in a deficit collection fund position and an over-achievement will result in a surplus. Surplus/deficits must be met by all the main preceptors in proportion to their precept in the following financial year. As the billing authority, Welwyn Hatfield retains the risk of the amount of council tax collected for all preceptors being less than the paid precepts during the financial year.

**7 Security & Terrorism Implication(s)**

- 7.1 There are no security and terrorism implications with the recommendation in this report.

**8 Procurement Implication(s)**

- 8.1 There are none.

**9 Climate Change Implication(s)**

- 9.1 The proposals in this report will not impact on greenhouse gas emissions.

**10 Link to Corporate Priorities**

- 10.1 The subject of this report is linked to the Council's Corporate Priority: Engage with our communities and provide value for money.

**11 Equality and Diversity**

- 11.1 An Equality Impact Assessment was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies. There are no equalities considerations associated with the setting of the taxbase.

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Date	November 2017