

WELWYN HATFIELD BOROUGH COUNCIL  
CABINET – 8 JANUARY 2019  
REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND  
CULTURAL SERVICES)

COUNCIL TAX BASE 2019/2020

**1 Executive Summary**

- 1.1 All Local Authorities have to calculate a Council Tax Base for their area each year. The rules which authorities are to use to 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 2019/2020.
- 1.2 The taxbase for 2019/20 is calculated as 41,889.6 and is 1.27% higher than the estimated taxbase for 2018/19.

**2 Recommendation(s)**

- 2.1 That the Council's taxbase for the year 2019/2020 be approved, incorporating a collection rate of 99.40%.
- 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 2019/2020 shall be 41,889.6 and its constituent elements shall be:

	<u>100% TAXBASE</u>	<u>99.40% TAXBASE</u>
Welwyn Garden City	17,197.3	17,094.1
Hatfield	11,663.4	11,593.4
Welwyn	4,645.0	4,617.1
Ayot St Lawrence	70.5	70.1
Ayot St Peter	115.8	115.1
North Mymms	4,409.9	4,383.4
Essendon	433.2	430.6
Northaw & Cuffley	3,075.6	3,057.1
Woolmer Green	531.9	528.7
Total	42,142.6	41,889.6

**3 Explanation**

### 3.1 Calculation of Tax Base

- 3.1.1 The Councils Tax base is calculated, by taking the actual tax base at a statutorily set date in the year, making assumptions for growth and other changes, and then multiplying the result by the anticipated collection rate.
- 3.1.2 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.
- 3.1.3 There has been an additional 300 properties banded for council tax purposes since our November 2017 taxbase, which has led to an increase in the taxbase.
- 3.1.4 It has been assumed an increase of around 405 new properties during the 2019/20 year which has been based on 80% of the expected new properties coming in during the year. Of these properties, a proportion has been built into the tax base, on a pro-rata basis, as not all properties will come into stream on 1<sup>st</sup> April, and will instead come on stream throughout the year.
- 3.1.5 Assumptions have also been built in for an increase of 331 in the number of exempt student properties. This has been based on local knowledge and student figures for previous years, based on a proportion of the year, as less student exemptions apply over the summer months.
- 3.1.6 Applying the relevant methodology and the above judgements with regard to a 99.40% collection rate and growth in the taxbase results with an estimated taxbase for 2019/20 which is 1.27% higher than the estimated taxbase for 2018/19. The expected in year collection rate for 2019/20 is 97.70%.

### 3.2 Notification of Tax Base

#### 3.2.1 Precepting Authorities and Levying Bodies

Between 1-31<sup>st</sup> 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

Must notify the requested tax base calculations to the appropriate bodies within the period 1<sup>st</sup> December – 31<sup>st</sup> January.

- 3.3 The detailed calculations of the 2019/20 Taxbase for Welwyn Hatfield Council are provided in Appendix A.

### 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 2019/20 council tax setting.

5.2 The tax base of 41,889.6 is 1.27% higher than the 2018/19 taxbase and higher than the estimate provided in the Medium Term Financial Strategy for 2019/20 and onwards.

## **6 Risk Management Implications**

6.1 The risk of the actual taxbase in 2019/20 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. Impact Medium / Likelihood Low

## **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 no direct procurement implications arising from this report.

## **9 Climate Change Implication(s)**

9.1 There are no direct climate change implications arising from this report.

## **10 Human Resources Implication(s)**

10.1 There are no direct human resources implications arising from this report.

## **11 Health and Wellbeing Implication(s)**

11.1 There are no direct health and wellbeing implications arising from this report.

## **12 Communication and Engagement Implication(s)**

12.1 There are no direct communication an engagement requirements arising from this report.

**13 Link to Corporate Priorities**

13.1 The subject of this report is linked to the Council's Corporate Priority: Our Council and achieving value for money.

**14 Equality and Diversity**

14.1 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 2018