

WELWYN HATFIELD BOROUGH COUNCIL  
CABINET – 5 JANUARY 2021  
REPORT OF THE CHIEF EXECUTIVE

COUNCIL TAX BASE 2021/2022

**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 2021/2022.
- 1.2 The taxbase for 2021/2022 is calculated as 43,462.4 and is 2.05% higher than the estimated taxbase for 2020/21.

**2 Recommendation(s)**

- 2.1 That the Council's taxbase for the year 2021/2022 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 2021/2022 shall be 43,462.4 and its constituent elements shall be:

	<u>100% TAXBASE</u>	<u>99.40% TAXBASE</u>
Welwyn Garden City	18,084.8	17,976.3
Hatfield	12,241.0	12,167.6
Welwyn	4,713.2	4,684.9
Ayot St Lawrence	70.1	69.7
Ayot St Peter	113.9	113.2
North Mymms	4,424.9	4,398.4
Essendon	427.2	424.6
Northaw & Cuffley	3076.8	3,058.3
Woolmer Green	572.8	569.4
Total	43,724.7	43,462.4

**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 700 properties banded for council tax purposes since our November 2019 taxbase, which has led to an increase in the taxbase.
- 3.1.4 It has been assumed an increase of around 816 new properties during the 2021/22 year which has been based on 80% of the expected new properties coming in during the year. Of these properties, only a proportion has been built into the tax base, on a pro-rata basis (50%), 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 The number of residents claiming council tax support was gradually reducing but has increased this year to the effect of COVID-19. This is reflected in the calculation of the council tax base.
- 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 2021/2022 which is 2.05% higher than the estimated taxbase for 2020/21.

## 3.2 Notification of Tax Base

### 3.2.1 Precepting Authorities and Levying Bodies

Between 1-31st 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 1st December – 31st January.

- 3.3 The detailed calculations of the 2021/22 Taxbase for Welwyn Hatfield Borough 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 2021/22 council tax setting.

## **6 Risk Management Implications**

- 6.1 The risk of the actual taxbase in 2021/22 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 and 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.

Name of author	Farhad Cantel
Title	Client Support Services Manager
Date	November 2020