

EAST HERTS COUNCIL

COUNCIL – 11 DECEMBER 2013

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

COUNCIL TAX - CALCULATION OF COUNCIL TAX BASE
2014/15

WARDS AFFECTED: All

Purpose/Summary of Report

- 1.1 To recommend to the Council the calculation of the council tax base for the whole district, and for each parish and town council, for 2014/15

RECOMMENDATIONS: That:	
(A)	the calculation of the Council's tax base for the whole district, and for the parish areas, for 2014/15 be approved; and
(B)	pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by East Hertfordshire District Council as its council tax base for the whole area for 2014/15 shall be 55468.63 and for the parish areas listed below for 2014/15 shall be as follows:- Table 1

ALBURY	272.55	HIGH WYCH	318.77
ANSTEY	153.04	HORMEAD	315.40
ARDELEY	201.77	HUNSDON	464.05
ASPENDEN	121.27	LITTLE BERKHAMPSTEAD	263.04
ASTON	417.32	LITTLE HADHAM	504.69
BAYFORD	220.07	LITTLE MUNDEN	398.52

BENGEO	277.35	MUCH HADHAM	876.80
BENNINGTON	375.05	SACOMBE	86.59
BISHOP'S STORTFORD	14420.99	STANSTEAD ST. MARGARETS	688.27
BRAMFIELD	108.87	SAWBRIDGEWORTH	3578.67
BRAUGHING	580.70	STANDON	1707.13
BRENT PELHAM / MEESDEN	137.35	STANSTEAD ABBOTTS	673.12
BRICKENDON	292.24	STAPLEFORD	248.45
BUCKLAND	117.60	STOCKING PELHAM	77.86
BUNTINGFORD	2001.91	TEWIN	807.26
COTTERED	298.14	THORLEY	295.58
DATCHWORTH	702.45	THUNDRIDGE	582.07
EASTWICK / GILSTON	195.89	WALKERN	582.67
FURNEUX PELHAM	247.14	WARESIDE	293.19
GREAT AMWELL	937.04	WARE TOWN	6957.09
GREAT MUNDEN	140.22	WATTON - AT - STONE	986.25
HERTFORD	10888.92	WESTMILL	153.25
HERTFORD HEATH	898.83	WIDFORD	224.62
HERTINGFORDBURY	307.07	WYDDIAL	71.51

1.0 Background

- 1.1 Calculation of the council tax base is governed by statutory regulation and the Council has limited discretion.
- 1.2 As a billing authority the council must notify the County Council and the Police Authority of the tax base and must do this between 1 December and 31 January preceding the tax year. The Council must also tell a parish what their tax base is within 10 working days of any written request
- 1.3 The tax base will be used by the Council when setting the rates of council tax at the March Council meeting.
- 1.4 The tax base calculations must be made by the Authority as a whole.

- 1.5 The regulations set out the following formula to be used to calculate the tax base:-

$$\text{Tax base} = A \times B$$

(A is the total of the “relevant amounts”)

(B is the estimated collection rate)

Item A, the total of “relevant amounts” is found by a second formula:-

$$\text{Item A} = (H - Q + E + J) - Z \times (F / G)$$

where:

- H is the estimated number of dwellings, which are shown in the valuation list at 30 September 2013, adjusted for exemptions.
- Q is a factor to take account of the discounts to which the amount of Council Tax payable was subject on the relevant day.
- E is a factor to take account of the premiums, if any, to which the amount of Council Tax payable was subject on the relevant day.
- J is the amount of any adjustment in respect of changes in the number of chargeable dwellings, discounts or premiums calculated by the authority.
- Z Is the total amount that the authority estimates will be applied pursuant to the authority’s council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.
- E converts the number of dwellings in each valuation band to a
- G “Band D” equivalent.

Item A can be summarised as the effective number of

equivalent Band D properties after taking the actual number in each valuation band and allowing for valuation changes, for errors and appeals, new properties, periods of exemption, reductions for disabled persons and discounts for single occupiers and unoccupied properties, and the Council Tax reduction scheme.

2.0 Report

2.1 The assumptions made are as follows:

Number of taxable properties

2.2 For 2014/15 it is assumed that there will be limited new completions with a net addition of 451 new properties by 31 March 2015. These have been allocated to parish areas on the basis of development in hand and planning approvals. It is assumed that all new dwellings will be exempt for the first six months and that a proportion of discounts will apply thereafter. No valuation increases have been assumed for improvements and extensions as these do not take effect until properties are sold on.

2.3 It has been assumed that 231 properties will qualify for disabled persons reductions, based on experience in the current year.

2.4 A figure of 578 exemptions/voids is included in line with the current position. Further increases will have a negative impact on the tax base.

Collection Rate

2.5 Item B in the tax base formula is the estimate of the collection rate for 2014/15. For 2014/15 a collection rate of 98.65% is determined, and remains the same as 2013/14.

2.6 This gives an overall tax base of 55468.63.

2.7 Should any Member have detailed questions or comments on the assumptions it would be of great benefit to advise the Director of Finance and Support Services or the Executive Member for Resources and Internal Support well

in advance of the meeting.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Local Authorities (Calculation of the Tax Base) Regulations 1992
(as amended)

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