

EAST HERTS COUNCIL

COUNCIL – 17 DECEMBER 2014

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

COUNCIL TAX - CALCULATION OF COUNCIL TAX BASE 2015/16

WARDS AFFECTED: All

Purpose/Summary of Report

- **To recommend to the Council the calculation of the council tax base for the whole district, and for each parish and town council, for 2015/16.**

RECOMMENDATIONS FOR COUNCIL: that:

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| (A) | the calculation of the Council's tax base for the whole District, and for the parish areas, for 2015/16, as now detailed, 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 2015/16 shall be 56425.45 and for the parish areas listed below for 2015/16 shall be as follows:- |

| | | | |
|--------------------|----------|----------------------|---------|
| ALBURY | 269.55 | HIGH WYCH | 317.16 |
| ANSTEY | 156.70 | HORMEAD | 320.23 |
| ARDELEY | 204.54 | HUNSDON | 472.40 |
| ASPENDEN | 121.82 | LITTLE BERKHAMPSTEAD | 261.69 |
| ASTON | 419.78 | LITTLE HADHAM | 514.03 |
| BAYFORD | 221.36 | LITTLE MUNDEN | 404.33 |
| BENGEO | 279.24 | MUCH HADHAM | 895.92 |
| BENNINGTON | 388.82 | SACOMBE | 87.09 |
| BISHOP'S STORTFORD | 14567.76 | STANSTEAD ST. | |
| BRAMFIELD | 109.12 | MARGARETS | 690.83 |
| | | SAWBRIDGEWORTH | 3636.04 |

| | | | |
|---------------------------|----------|---------------------|---------|
| BRAUGHING | 591.67 | STANDON | 1746.60 |
| BRENT PELHAM / MEESDEN | 143.26 | STANSTEAD ABBOTTS | 683.14 |
| BRICKENDON | 289.11 | STAPLEFORD | 253.01 |
| BUCKLAND | 117.21 | STOCKING PELHAM | 78.94 |
| BUNTINGFORD | 2067.84 | TEWIN | 839.07 |
| COTTERED | 301.08 | THORLEY | 296.81 |
| DATCHWORTH | 710.34 | THUNDRIDGE | 592.44 |
| EASTWICK / GILSTON | 240.78 | WALKERN | 598.32 |
| FURNEUX PELHAM | 250.89 | WARESIDE | 300.48 |
| GREAT AMWELL | 943.23 | WARE TOWN | 7075.52 |
| GREAT MUNDEN | 140.76 | WATTON - AT - STONE | 1023.15 |
| HERTFORD | 11141.68 | WESTMILL | 151.44 |
| HERTFORD HEATH | 906.79 | WIDFORD | 222.49 |
| HERTINGFORDBURY | 309.63 | WYDDIAL | 71.36 |

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 2014, 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.
- $\frac{F}{G}$ converts the number of dwellings in each valuation band to a "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 2015/16 it is assumed that there will be limited new

completions with a net addition of 413 new properties by 31 March 2016. 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 230 properties will qualify for disabled persons reductions, based on experience in the current year.
- 2.4 A figure of 605 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 2015/16. For 2015/16 a collection rate of 98.65% is determined, and remains the same as 2014/15.
- 2.6 This gives an overall tax base of 56425.45.
- 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 Finance 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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