

EAST HERTS COUNCIL

COUNCIL – 16 DECEMBER 2015

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND SUPPORT SERVICES

COUNCIL TAX - CALCULATION OF COUNCIL TAX BASE 2016/17

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 2016/17.

<u>RECOMMENDATIONS FOR DECISION:</u> that:	
(A)	the calculation of the Council's tax base for the whole District, and for the parish areas, for 2016/17 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 2016/17 shall be 57254.9 and for the parish areas listed below for 2016/17 shall be as follows:

ALBURY	275.24	HIGH WYCH	320.88
ANSTEY	161.81	HORMEAD	325.30
ARDELEY	204.62	HUNSDON	472.60
ASPENDEN	122.43	LITTLE BERKHAMPSTEAD	261.71
ASTON	420.85	LITTLE HADHAM	519.45
BAYFORD	222.93	LITTLE MUNDEN	400.92
BENGEO	284.27	MUCH HADHAM	892.10
BENNINGTON	388.60	SACOMBE	86.16
BISHOP'S STORTFORD	14672.11	STANSTEAD ST. MARGARETS	688.02

BRAMFIELD	108.21	SAWBRIDGEWORTH	3649.06
BRAUGHING	597.56	STANDON	1774.98
BRENT PELHAM / MEESDEN	144.23	STANSTEAD ABBOTTS	679.53
BRICKENDON	296.35	STAPLEFORD	252.64
BUCKLAND	119.06	STOCKING PELHAM	77.48
BUNTINGFORD	2161.75	TEWIN	839.22
COTTERED	308.59	THORLEY	298.74
DATCHWORTH	717.49	THUNDRIDGE	622.20
EASTWICK / GILSTON	305.11	WALKERN	602.18
FURNEUX PELHAM	248.71	WARESIDE	298.11
GREAT AMWELL	955.54	WARE TOWN	7177.59
GREAT MUNDEN	141.16	WATTON - AT - STONE	1035.54
HERTFORD	11429.55	WESTMILL	157.48
HERTFORD HEATH	928.00	WIDFORD	223.85
HERTINGFORDBURY	312.57	WYDDIAL	72.40

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 5 October 2015, 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.

F converts the number of dwellings in each valuation band to a "Band D" equivalent.

G Is the relevant prescribed proportion for Band D

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 2016/17 it is assumed that there will be limited new completions with a net addition of 391 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 223 properties will qualify for disabled persons reductions, based on experience in the current year.
- 2.4 A figure of 651 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 2016/17. For 2016/17 a collection rate of 98.65% is determined, and remains the same as 2015/16.
- 2.6 This gives an overall tax base of 57254.9
- 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 and Support Service 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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