

EAST HERTS COUNCIL

COUNCIL -19 DECEMBER 2018

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND
SUPPORT SERVICES

COUNCIL TAX - CALCULATION OF COUNCIL TAX BASE 2019/20

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 2019/20

<u>RECOMMENDATIONS FOR THE COUNCIL: That:</u>	
(A)	the calculation of the Council's tax base for the whole district, and for the parish areas, for 2019/20 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 2019/20 shall be 60721.9 and for the parish areas for 2019/20 shall be as follows:

ALBURY	280.64	HIGH WYCH	334.93
ANSTEY	163.28	HORMEAD	326.38
ARDELEY	208.98	HUNSDON	488.98
ASPENDEN	125.35	LITTLE BERKHAMPSTEAD	270.25

ASTON	429.72	LITTLE HADHAM	528.50
BAYFORD	234.41	LITTLE MUNDEN	411.28
BENGEO	284.90	MUCH HADHAM	974.57
BENNINGTON	401.92	SACOMBE	92.71
BISHOP'S STORTFORD	15776.35	STANSTEAD ST. MARGARETS	689.46
BRAMFIELD	110.99	SAWBRIDGEWORTH	3776.84
BRAUGHING	638.66	STANDON	1887.43
BRENT PELHAM / MEESDEN	146.80	STANSTEAD ABBOTTS	685.43
BRICKENDON	336.34	STAPLEFORD	257.24
BUCKLAND	120.20	STOCKING PELHAM	83.08
BUNTINGFORD	2845.81	TEWIN	870.73
COTTERED	312.43	THORLEY	131.69
DATCHWORTH	735.60	THUNDRIDGE	678.61
EASTWICK / GILSTON	435.26	WALKERN	618.07
FURNEUX PELHAM	260.95	WARESIDE	309.48
GREAT AMWELL	970.07	WARE TOWN	7476.79
GREAT MUNDEN	148.74	WATTON - AT - STONE	1063.01
HERTFORD	11997.13	WESTMILL	157.87
HERTFORD HEATH	969.66	WIDFORD	277.45
HERTINGFORDBURY	324.61	WYDDIAL	72.32

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 10 September 2018, 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 2019/20 it is assumed that there will be limited new completions with a net addition of 1173 new properties by 31 March 2020. 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 three 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 723 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 2019/20. For 2019/20 this will be 98.9%, which is the same as 2018/19.

- 2.6 This gives an overall tax base of 60721.9

- 2.7 Should any Member have detailed questions or comments on the assumptions it would be of great benefit to advise the Head of Revenues and Benefits Shared Service or the Executive Member - Finance & Support Services 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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