	<p>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 11th January 2016</p>
<p style="text-align: right;">Title</p>	<p>Council Tax Base for 2016-17</p>
<p style="text-align: right;">Report of</p>	<p>S.151 / Chief Finance Officer</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A – Calculation of tax base</p>
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Summary

This report sets out the Council Tax Base for 2016-17 which must be notified to major precepting authorities by 31 January of the preceding financial year.

Decisions

1. **Agree the Council Tax Base for 2016-17 to be 135,324 and that all major precepting and levying authorities, and Barnet members, be notified of this amount by 31 January 2016.**

WHY THIS REPORT IS NEEDED

- 1.1 The council tax base is used by billing and major precepting authorities to determine their council taxes for the ensuing financial year and by major levying bodies to determine the proportions chargeable to individual authorities. It represents the estimated full year number of chargeable dwellings in the area, expressed as the equivalent number of Band D dwellings.
- 1.2 The tax base used for tax setting purposes is different from that used (by Government) for grant making purposes, which is a prediction of the taxable capacity of the area at a given future point in time and makes no allowance for non-collection
- 1.3 The council tax base is the aggregate of the 'Relevant Amounts' for each valuation band, expressed as band D equivalents. The 'Relevant Amount' for each valuation band is as follows:-

$$\frac{[H - (I \times E) + J] \times F}{G}$$

G

where,

- H = the number of chargeable dwellings (full year equivalents) which are listed in the band on the Relevant Day
- I = the number of estimated discounts on the relevant day;
- E = the appropriate discount percentage;
- F = the relevant fraction of 9 applicable to the valuation band;
- G = 9;
- J = the adjustment in respect of changes in the number of chargeable dwellings or discounts between the Relevant Day and the end of the financial year

- 1.4 The tax base proposed for 2016/17 is, an increase of 3,173 over 2015/16. The prescribed calculation is set out in Appendix A and is summarised below.

Band D Equivalents	2015-16	2016-17	Change
Total properties	166,725	168,206	1,481
Exemptions, disabled relief, discounts	(14,517)	(14,082)	435
Ministry of Defence	81	77	(4)
Exemptions			0
CTB Discount	(19,817)	(17,422)	2,395
Adjustments (projections):-			0
New properties	1,434	1,569	135
CTB Discount	945	(280)	(1,225)
Exemptions (Students)	(688)	(684)	4
Non-collection @ 1.5%	(2,012)	(2,060)	(48)
	132,151	135,324	3,173

1.5 The total properties, exemptions and ministry of defence lines are actual figures based on information in the government return 'CTB1' statistical return. The adjustments reflect the assumptions about how the tax base will move in 2016/17 as follows:

- It is assumed there will be additional 1,569 properties in 2016/17.
- Adjustments have been made to CTS for 280 properties due to changes in working tax credit.
- Adjustments have been made to exemptions to reflect the fact that additional exemptions will be made (for example for students) that are not reflected in CTB1 return for 684 properties.
- An assumption for non-collection of 1.5% has been made.

2. REASONS FOR DECISIONS.

2.1 The council tax base is used by billing and major precepting authorities to determine their council taxes for the ensuing financial year and by major levying bodies to determine the proportions chargeable to individual authorities. It represents the estimated full year number of chargeable dwellings in the area, expressed as the equivalent number of Band D dwellings.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.1 N/A

4. POST DECISION IMPLEMENTATION

4.1 This will be used in the budget setting process for 2016-17

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 Efficient financial management procedures are a necessary contribution to enable the achievement of all council priorities.

5.1.2 Central Government have committed to a programme of welfare reform, aiming to simplify the benefits system, create the right incentives to get more people into work, protect the most vulnerable, and deliver fairness to tax payers and to those claiming benefits. The programme makes a number of changes, including the ending of the current Council Tax Benefit scheme and its replacement by local Council Tax Support schemes. The Council Tax benefit is now a council tax reduction which therefore reduces the council tax base

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 This is covered in section 6 of the report.

5.3 Legal and Constitutional References

5.3.1 The Local Government Finance Act 1992 ('the 1992 Act'), as amended by the Local Government Finance Act 2003 and Local Government Finance Act 2012 together with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 ('the 2012 Regulations) set out procedures for calculating the Tax Base. The formula for calculation is set out in S31B of the 1992 Act and in the 2012 Regulations. Setting the Tax Base can be delegated to an officer of the Council in accordance with s.67(2A) (za) Local Government Finance Act 1992. In the Financial Regulations, the setting of the Council Tax base has been delegated to the s151 Officer at Para 4.3.2

5.3.2 Section 33 of the Welfare Reform Act 2012 abolished Council Tax Benefit and any replacement scheme is excluded from the scope of the Universal Credit system set up by Section 1 of that Act. The Local Government Finance Act 2012 ("the 2012 Act") amends the Local Government Finance Act 1992 to make provision for the localisation of the Council Tax Support which will have an impact on the Council Tax base.

5.3.3 The Tax base must be determined in time to notify preceptors of the figure by 31 January 2016

5.3.4 Financial Regulations (Section 4.3.2) require the Chief Finance Officer to set the council tax base for tax – setting purposes before 31 January of the preceding

financial year, and notify precepting and levying bodies of this figure by this date. The Chief Finance Officer is required to notify all councillors of the tax base figure at the same time.

5.4 Risk Management

5.4.1 Over estimation of the council tax base would result in a deficit in the tax collected, which would need to be made good in full from the council tax in subsequent years. Under estimation would result in a council tax higher than necessary.

5.4.2 As a number of assumptions have been made when setting the scheme including collection rate, there is a risk on the collection fund. The risk will be borne by both London Borough of Barnet and GLA.

5.5 Equalities and Diversity

5.5.1 Accurate setting of the tax base is an important aspect of the management of resources to ensure the equitable delivery of services to all members of the community.

6. BACKGROUND INFORMATION

7. DECISION TAKER'S STATEMENT


7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

8. OFFICER'S DECISION

I authorise the following action

8.1 **That in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 the amount calculated by the London Borough of Barnet as its Council Tax taxbase for the year 2016/17 shall be 135,324, and that all major precepting and levying authorities and Barnet members will be notified of this amount by 31 January 2016.**

Signed



Date

11/1/16
