

	<p>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER {Date}</p>
<p style="text-align: center;">Title</p>	<p style="text-align: center;">Council Tax Base for 2018-19</p>
<p style="text-align: center;">Report of</p>	<p>S.151 / Director of Resources (Anisa Darr)</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Enclosures</p>	<p>Appendix A – Calculation of tax base</p>
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<h2>Summary</h2>
<p>This report sets out the Council Tax Base for 2018-19 which must be notified to major precepting authorities by 31 January of the preceding financial year</p>

<h2>Decisions</h2>
<p>1. Agree the Council Tax Base for 2018-19 to be 141,918 and that all major precepting and levying authorities, and Barnet members be notified of this amount by 31 January 2018</p>

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:-

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

G

where,

- H = the number of chargeable dwellings (full year equivalents) which are listed in the band on the Relevant Day
- Q = is a factor to take account of the discounts on the relevant day;
- E = is a factor to take account of the premiums, if any, on the relevant day;
- J = the adjustment in respect of changes in the number of chargeable dwellings, discounts or premiums;
- Z = the estimated amount that will be applied pursuant to the council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in the band;
- F = the relevant fraction of 9 applicable to the valuation band;
- G = 9

- 1.4 The tax base proposed for 2018/19 is, a net increase of 2,869 over 2017/18. The prescribed calculation is set out in Appendix A and is summarised below.

Band D Equivalents	2017-18	2018-19	Change
Total properties	169,714	172,575	2,861
Exemptions, disabled relief, discounts	(14,045)	(14,288)	(243)
Ministry of Defence	16	14	(2)
CTB Discount	(16,837)	(16,737)	100
Adjustments (projections):-			
New properties	2,909	3,027	118
Exemptions (Students)	(590)	(510)	80
Non-collection @ 1.5%	(2,118)	(2,163)	(45)
	139,049	141,918	2,869

- 1.5 The total properties, exemptions, relief, discounts and ministry of defence lines are actual figures as at 2nd October 2017 based on reports from the Civica OPENRevenues system
- 1.6 The adjustments reflect the assumptions about how the tax base is expected to move in 2018/19 as follows:
- An analysis of properties expected to be built in the next 18 months to 31st March 2019 has been carried out, having regard for the estimated date of completion and band. The analysis includes information from Planning, Building Control, street naming and numbering departments and site visits. It is assumed there will be additional 3,027 properties in 2018/19.
 - Adjustments have been made to exemptions to reflect the fact that additional exemptions will be made for students that are not reflected in CTB1 return. The exemptions for students as at 31st May were 1,449 and as at 31st Sept 2017 were 939 Band D equivalent properties. This equates to an adjustment for for 510 properties.
 - An assumption for non-collection of 1.5% has been made as 98.5% collection is guaranteed via the CSG contract.

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 2018-19

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 The 2018/19 tax base shows a growth of 2.06% when compared with the 2017/18 tax base. The growth being due to an overall increase in the total number of properties, offset by an increase in discounts and exemptions. The growth will deliver around £3.3m in additional Council Tax income (Barnet share) in 2018/19 which has been factored into the medium term financial strategy (MTFS).

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 2018

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

