

	<h2 style="margin: 0;">ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</h2>
<b>Title</b>	<b>Council Tax Base for 2020-21</b>
<b>Report of</b>	Director of Finance (Section 151 Officer)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	Appendix A – Calculation of 2020-21 tax base
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## Summary

This report sets out the Council Tax Base for 2020-21 which must be notified to major precepting authorities by 31 January of the preceding financial year.

## Decisions

1. **Agree the Council Tax Base for 2020-21 to be 147,813 and that all major precepting and levying authorities, and Barnet members be notified of this amount by 31 January 2020.**

### 1. 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. According to Regulation 4 (1) of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the 'Relevant Amount' for each valuation band is as follows:

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

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 (the number which, in that proportion, is applicable as regards the year to dwellings listed in valuation band D)

- 1.4 The tax base proposed for 2020-21 is 147,813, a net increase of 2,253 over 2019-20. The prescribed calculation is set out in Appendix A and is summarised below.

<b>Band D Equivalents</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Change</b>
Total properties	174,811	176,599	1,788
Exemptions, disabled relief, discounts	(14,246)	(14,896)	(650)
Ministry of Defence	8	9	1
Exemptions			0
CTB Discount	(14,602)	(13,776)	826
Adjustments (projections):-			0
New properties	2,036	2,371	335
Exemptions (Students)	(232)	(242)	(10)
Non-collection @ 1.5%	(2,215)	(2,252)	(37)
	<b>145,560</b>	<b>147,813</b>	<b>2,253</b>

- 1.5 The total properties, exemptions, relief, discounts and Ministry of Defence lines are actual figures as at October 2019 based on reports from the Civica OPEN Revenues system.
- 1.6 The adjustments reflect the assumptions about how the tax base is expected to move in 2020-21 as follows:
- An analysis of properties expected to be built in the next 18 months to 31 March 2021 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 2,371 properties in 2020-21.
  - 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 31 September 2019 on the CTB1 form were 1,135 Band D equivalent properties. However, figures at 21 November 2019 indicate 1,377 estimated Band D equivalent student properties. This equates to an adjustment for 242 properties.
  - An assumption for non-collection of 1.5% has been made as 98.5% collection is guaranteed via the Customer Support Group (CSG) contract.

## **2. REASONS FOR RECOMMENDATIONS**

- 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 NOT RECOMMENDED**

- 3.1 Not applicable to this report.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 This will be used in the budget setting process for 2020-21.

## **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 The council needs to ensure that it has adequate resources to meet its statutory and mandated obligations and its priorities and Council tax is the core funding mechanism which supports services in the delivery of the corporate objectives.

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

5.2.1 The 2020-21 tax base shows an increase of 1.5% when compared with the 2019-20 tax base. The net increase is due to an overall growth in the total number of properties, an increase in the number of new properties expected as well as small movements in discounts and exemptions. This will deliver around £2.9m of additional council tax income (Barnet share) in 2020-21 which has been factored into the council's medium term financial strategy (MTFS).

## **5.3 Social Value**

5.3.1 Not applicable to this report.

## **5.4 Legal and Constitutional References**

5.4.1 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 Para2.3.2.

5.4.2 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.

5.4.3 The tax base must be determined in time to notify preceptors of the figure by 31 January 2020.

5.4.4 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 will notify all Council Members via the Policy and Resources Committee and Full Council.

## **5.5 Risk Management**

5.5.1 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.

5.5.2 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.

## 5.6 Equalities and Diversity

5.6.1 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.

## 5.7 Corporate Parenting

5.7.1 Not applicable to this report.

## 5.8 Consultation and Engagement

5.8.1 As part of setting the council tax base for 2020/21, the Chief Financial Officer is required to notify Policy and Resource Committee, councillors as well as levying and precepting bodies by 31 January of the preceding financial year.

## 5.8 Insight

5.8.1 Not applicable to this report.

## 6. BACKGROUND PAPERS

## 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. The decision is compliant with the principles of decision making in Article 10 of the constitution.*

**Chief Officer:** Director of Finance (S151 Officer)

**Signed:** Anisa Darr

**Dated:** 17 February 2020

