

COUNCIL TAX SETTING COMMITTEE

7 December 2010

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

5

TITLE OF REPORT: COUNCIL TAX BASE 2011/2012

REPORT OF THE HEAD OF REVENUES AND BENEFITS

PORTFOLIO HOLDER: COUNCILLOR T. W. HONE

1. SUMMARY

- 1.1 In accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992, this Council is required each December or January to set the Council Tax Base for the following financial year.

2. FORWARD PLAN

- 2.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on 1 September 2010.

3. BACKGROUND

- 3.1 The regulations require that a formal resolution be made to determine the Tax Base. The regulations also require that this calculation is made between 1st December and 31st January. It cannot wait until the 'tax-setting' meeting in February because the result must be notified to the County Council by 31st January in each year. Each District Council is therefore required to present the calculation of the Tax Base for tax-setting at a Meeting during December or January.

4. ISSUES

- 4.1 The Council has virtually no discretion in determining the Tax Base for Council Tax setting, although one important factor is the estimate to include within the calculation in respect of the level of non-collection.
- 4.2 It should be borne in mind when considering the non-collection rate that there are a number of factors, other than eventually non-collected payments, which will impact on the collection rate and these are as follows:-
- (i) The level of successful appeals against banding valuations.
 - (ii) The impact of new properties coming into tax which may not be valued until the following year.
 - (iii) The number of disablement applications, Discounts and Exemptions.

- 4.3 Any surplus (or deficit) on the Council Tax Collection Fund is split between the major precepting authorities (the County Council, Hertfordshire Police and this Council) in proportion to the relative level of precept on the fund (approximately 77:10:13 County/Police/District in 2010/2011). The surplus can only be used to reduce (or increase in the case of a deficit) Council Tax bills in 2011/2012; but whereas the District proportion of the surplus reduces bills only in North Hertfordshire, the County and Police proportions are dissipated across the whole of Hertfordshire. The actual impact on bills will, therefore, depend not only upon the collection performance of this Council but of that of all other Hertfordshire authorities as well.
- 4.4 The collection performance in 2010/2011 has remained in line with the estimated position, despite the current economic climate, although it is possible that this may deteriorate in the last quarter. It is possible that the Collection Fund may well make a loss in the next financial year if Council Tax arrears increase. This does not significantly affect the non-collection rate assumption of 1% as this is based on changes to the Tax Base arising from those changes detailed in 4.2 above and therefore there would appear to be no reason to change this for 2011/2012. It is estimated that at the end of this financial year, there will be a surplus in the Collection Fund of approximately £23,000 attributable to the Council. The Tax Base for each Parish based upon a 99% collection rate is shown in Appendix A.

5. LEGAL IMPLICATIONS

- 5.1 The formula to be used for the calculation of the Council Tax Base is set out in the Local Authority (Calculation of Council Tax Base) Regulations 1992 No.612. The content and timing of the supply of information from and to the major precepting authorities and the billing authority is regulated by the Local Authority (Calculation of Council Tax Base) (Supply of Information) Regulations 1992 No.2904.

6. FINANCIAL AND RISK IMPLICATIONS

- 6.1 The Tax Base agreed will be used to determine the actual level of Council Tax levied by the Council at its meeting in February 2011.

7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

- 7.1 There are no Human Resource or Equalities implications in this report.

8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 8.1 There has been no consultation with external organisations or Ward Members.

9. RECOMMENDATIONS

- 9.1 **That the amount calculated by this Council as its Council Tax Base for 2011/2012 shall be £50,282.1 in total and that the individual sums shown in Appendix A for each Parish be agreed.**

10. REASONS FOR RECOMMENDATIONS

- 10.1 To comply with the legal requirements detailed in 5.1 above.

11. ALTERNATIVE OPTIONS CONSIDERED

11.1 This is a statutory requirement.

12. APPENDICES

12.1 Appendix A, Tax Base 2011/2012 – Council Tax Base by Parish.

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14. BACKGROUND PAPERS

14.1 D.O.E. Guidance Notes on Tax Setting, precepting and levying.
Statutory Instrument 1992 No. 612 and 2904.
Statutory Instrument 1992 No. 2904.
Association of District Councils circular 1992 / 373:
Council Tax Resolutions Tax Base Calculations 2011/2012

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