


Haringey Council
Written Statement/Record of a decision made by an officer under delegated authority

Decision Maker (Post Title)	Director of Finance and Section 151 Officer
Subject of the decision	2021-22 Council Tax Base Report
Date of decision	31 st January 2021
Decision	<p>I approve the recommendation as set out in the attached report:</p> <p>That, the council tax base for 2021-22 is set at 76,544 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; and That the assumed collection rate is set at 95.5% for 2021-22.</p>
Reasons for the decision	<p>The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the s151 officer in consultation with the cabinet member for Finance.</p> <p>Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It represents a measure of the taxable capacity of the Council and when multiplied by the band D council tax rate indicates the Council's tax generating potential for that year.</p>
Details of any alternative options considered and rejected by the officer when making the decision	No alternatives were considered as this is a requirement of a Statutory Instrument.
<u>Conflicts of interest – Executive decisions</u> Details of any conflict of interest declared by a Cabinet Member who is consulted by the officer which relates to the decision and details of dispensation granted by the Council's Head of Paid Service	None
<u>Conflicts of interest – Non executive decisions</u> Where the decision is taken under an express delegation e.g. by a Committee, the name of any Member who declared a conflict of interest in relation to this matter at the committee meeting,	N/A

<p>Title of any document(s), including reports, considered by the officer and relevant to the above decision or where only part of the report is relevant to the above decision, that part)</p> <p>These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information</p>	<p>2021-22 Local government finance settlement report including the 2021-22 council tax report that sets the referendum principle.</p> <p>https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022</p>
<p>Reasons for exemption with reference to categories of exemption specified overleaf, or</p> <p>Reason why decision is confidential (see overleaf)</p> <p>Note: decisions containing exempt or confidential information falling within the categories specified overleaf are not required to be published.</p>	<p>N/A</p>
<p>Communicating your decision: Who needs to know about this decision and is a plan in place to tell them? (officers in your department, in other departments where necessary, members, external stakeholders).</p>	<p>In accordance with the Council's constitution, the Cabinet Member for Finance has been consulted on the contents of this report.</p>
<p>Signature of Decision Maker</p>	
<p>Name of Decision Maker</p>	<p>Jon Warlow, Director of Finance and Section 151 Officer</p>
<p>Does the decision need to be published?</p> <p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>	

Title: Council Tax base for 2021/22

Report

authorised by: Jon Warlow, Director of Finance and Section 151 Officer

Lead Officer: Andrei Moclinda, Principal Accountant

Ward(s) affected: All

Report for Key/

Non-Key Decision: Key decision

1. Describe the issue under consideration

1.1. This report sets out the recommended Council Tax Base for 2021/22. Regulations require the council tax base to be set by 31st January each year.

2. Introduction

2.1. The determination of the council tax base is an important element of the Council's budget setting process. This is because, it is the estimated base that is multiplied by the average council tax amount to derive the amount of council tax precept that the Council will budget for in 2021/22.

2.2. A total of 672 additional properties have come into rating since the previous Council Tax Base report was published in January 2020. Compared to the actual pre-pandemic caseload, when projecting forward into 2021/22 the number of CTRS Claimants has increased by 6% for 2020/21 and is forecast to further increase by 9% for 2021/22.

2.3. A key element of the council tax base calculation is the projected collection rate. In-year monitoring of Council Tax collection has indicated a drop of 1% in the collection rate. As a result, this has been prudently adjusted down by 1% for 2021/22 – from 96.5% to 95.5%.

2.4. These adjustments have resulted in the number of Band D equivalent properties being reduced by 1,999 compared to the previous year. This equates to a decrease of approximately £2.7m compared to the last financial year (excluding any additional income that will arise from the proposed increase in the Band D amount and Adult Social Care Precept). The 2021/22 Budget/MTFSS 2021/26 to be reported to Cabinet on 9 February highlights the impact this will have on assumed income but acknowledges that this will largely be offset by the one-off Local Council Tax Support Grant allocation announced in the Spending Round 2020.

2.5. The Provisional Local Government Finance Settlement issued in December 2020 confirmed Local Authorities have the power to increase Council Tax by 1.99%, as well as to charge an additional 3% for the Adult Social Care Precept. As a result, and subject to Full Council approval on February 22nd, an increase of 4.99% in the Band D charge will be implemented and the financial impact forms part of the proposed Budget/Medium-Term Financial Strategy (MTFS).

3. Recommendations

3.1. That:

- the London Borough of Haringey's council tax base is **76,544** for the year 2021/22 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, detailed in Statutory Instrument 2012:2914 which came into force on 30th November 2012.
- the assumed collection rate will be 95.5% for 2021/22.

4. Reason for Decision

- 4.1. The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the Section 151 Officer in consultation with the Cabinet Member for Finance and Strategic Regeneration.
- 4.2. Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It is the estimate of the taxable capacity of the Council, and when multiplied by the band D council tax rate, determines the Council Tax precept for next year.

5. Alternative options considered

- 5.1. No alternatives were considered as this is a statutory requirement.

6. Background information

- 6.1. The Council as Billing Authority is required to calculate the tax base for the Borough in order for it to calculate its own council tax and is also required to notify this figure by 31st January each year to any major precepting authority (the Greater London Authority) as well as the levying bodies (Environment Agency, Lee Valley Regional Park Authority, North London Waste Authority and London Pension Fund Authority) in order for them to calculate and set their own budgets and determine the level of precept / levy to be made to Haringey.
- 6.2. The calculation of the council tax base is prescribed by regulations. It is the aggregate of estimated number of properties in each valuation band each year, subsequently adjusted to take account of the estimated number of discounts, disregards and exemptions which are likely to apply and any estimated increase / decrease in the list in the forthcoming year. The Council levies council tax on the basis of properties in band D and thus the numbers for each valuation band are adjusted to the proportion which their number is to band D; these proportions are set out in statute. Finally, the council must estimate its rate of council tax collection for the year and apply this figure to arrive at the council tax base figure.
- 6.3. As a result of the Covid-19 Pandemic, the number of CTRS claimants is higher than in the previous year and is projected to increase further in 2021/22. The 2020/21 collection rate has also been impacted by the pandemic leading to a prudent 1% reduction in assumed collection rate for 2021/22 The Tax Base Calculation takes both of these into account.

6.4. The calculation below sets the tax base and not the council tax amount itself which is due to be set on 22nd February 2021 at Full Council.

7. Calculation of the Billing Authority's Council Tax base

7.1. The calculation is in two parts; 'A' (the Relevant Amount), which is the calculation of the estimated adjusted band D properties, and 'B', the estimated level of collection.

Relevant Amount

7.2. The calculation of 'A' – the relevant amounts for each band is complex and includes several calculations which are shown in detail in Appendices 1 & 2. The resultant relevant number of properties per band is summarised in the table below:

Band	Relevant Amount (i.e. Number of Dwellings)
A	2,878
B	9,122
C	21,655
D	20,010
E	10,911
F	6,807
G	7,400
H	1,368
TOTAL	80,151

*Relevant amounts have been rounded for presentation purposes

7.3. The relevant amount (i.e. total number of properties after adjusting for estimated impact of proposed changes to CTRS) is 1,999 lower than the relevant amount for 2020/21. This decrease is attributed to the estimated 9% increase in CTRS Claimants and a 1% reduction in the collection rate.

Collection Rate

7.4. The collection rate (B) is the council's estimate of the proportion of the overall council tax collectable for the year that will ultimately be collected. This is expressed as a percentage.

7.5. In arriving at a decision on the collection rate a number of factors need to be taken into account which includes:

- Appeals against valuation
- The mobility of the local population, particularly in the private rented sector
- The level and timeliness of information available when properties are sold, or let *and*
- The customer's ability to pay

7.6. For 2021/22 collection rates are forecast at 95.5%.

Council Tax Base

7.7. The tax base is calculated by applying the following formula:

$$A \times B = T$$

Where:

A is the total amount of the relevant amounts for that year

B is the authority's estimate of its collection rate for that year.

T is the calculated tax base for that year

7.8. In accordance with the requirements of the regulations and following the calculations in Appendix 1 to this report and above, the calculation of the Council Tax Base (T) for the London Borough of Haringey in 2021/22 is as follows:

2021/22	
Total Amount of Relevantants (A)	80,151
X	
Collection Rate (B)	95.5%
Council Tax Base (T)	76,544

8. Contribution to Strategic Outcomes

8.1. The calculation of the council tax base is prescribed in law. Whilst the council tax base may have some impact on the Council's ability to generate revenue and therefore assist with delivery of corporate goals, the Council needs to adhere to the prescribed technical calculation set out by law in deriving its council tax base.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Chief Finance Officer's Comments

9.1. The council tax base set out in this report and any projected surplus/deficit on the council tax collection fund as at 31 March 2021 will be used to set the council tax amount for 2021/22 that will be recommended to Full Council on 22nd February 2021

Assistant Director of Corporate Governance's Comments

9.2. Article 4, part 2, section 4.01 of the Council's constitution delegates the decision on setting the council tax to the s151 officer in consultation with CAB and the Cabinet Member for Finance.

- 9.3. The Local Government Finance Act 1992 requires the Council to calculate its council tax base by the 31st January in calculating the council tax amount due in the following financial year and to also notify all precepting/levying bodies of its council tax base.

Equality Comments

- 9.4. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 9.5. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 9.6. The proposed decision is to Haringey's Council Tax base and the assumed collection rate for 2021/22. The Council as Billing Authority has a statutory duty to calculate the tax base for the borough and notify this figure to the relevant authorities annually on January 31st. Forecast calculations have been modelled using data gathered from previous years and information on new properties in the borough.
- 9.7. It is forecast that the number of Council Tax Reduction Scheme (CTRS) claimants will be higher than in the previous year due to the impact of the Covid-19 pandemic, and it is projected to increase further in 2021/22. This impacts the collection rate noted in the report. Calculating the boroughs tax base does not impact on a resident's ability to access the CTRS and will have a neutral or no impact on those with a protected characteristic.

10. Use of Appendices

- 10.1. Appendix 1 & 2 – Calculation of the estimated adjusted band D properties for the London Borough Haringey 2021/22.

11. Local Government (Access to Information) Act 1985

- 11.1. For access to the background papers or any further information please contact Andrei Moclinda, Principal Accountant.

Calculation of the Billing Authority's Tax Base

- 1 Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (S.I. 1992 No.612) and amended by (S.I. 2012 No. 2914) states that a Billing Authority's Council Tax Base for a financial year shall be calculated by applying the formula –

'A' x 'B'

Where 'A' is the total of the relevant amounts for each of the Valuation Bands which are shown or likely to be shown in the Authority's Valuation list as at 30 November in the year prior to the year in question, adjusted for estimated discounts, exemptions, disregards, increases / decreases; and where 'B' is the Authority's estimate of its collection rate for that year.

- 2 The Regulations state that item '**A**' should be calculated by applying the following formula:

$((H - Q + E + J) - Z (F / G))$ where

H is the number of chargeable dwellings in that band

Q is a factor to take account of the discounts of council tax payable. It is calculated as $Q = (R \times S)$

R is the number of discounts estimated to be payable in respect of these dwellings

S is the percentage relating to each discount classification

E is a factor to take account of any premiums to be added to the Council tax base

J is the amount of any adjustment in respect of changes in the number of chargeable dwellings, discounts or premiums calculated by the authority in accordance with paragraph 7 due to factors such as:

- (a) New properties and properties being banded
- (b) Variations in number of exempt properties
- (c) Successful Appeal against bandings
- (d) Variations in the number of discounts

Z is the total amount that the authority estimates will be applied in relation to the authority's council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.

F is the relevant prescribed proportion of council tax to be paid for each dwelling in that band.

G is the relevant prescribed proportion of council tax to be paid for Band D

- 3 Appendix 2 sets out the detailed calculations for **A** for the London Borough of Haringey but the summary is set out below:-

Calculation Item	Disabled Band A	A	B	C	D	E	F	G	H	2021/22 Total
H	-1	7,807	19,014	34,078	26,352	10,890	5,336	4,653	694	108,824
Q	0	-1,089	-2,441	-3,057	-1,655	-595	-216	-149	-18	-9,220
E	0	69	92	55	80	24	14	12	14	360
J	0	0	0	0	0	0	0	0	0	0
(H-Q+E+J)	-1	6,788	16,665	31,076	24,777	10,320	5,134	4,516	690	99,965
Z	0	-2,470	-4,937	-6,714	-4,767	-1,392	-421	-76	-6	-20,784
(H-Q+E+J) - Z	-1	4,318	11,728	24,362	20,010	8,927	4,712	4,440	684	79,181
F/G		0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
((H-Q+E+J) - Z) x (F/G)		2,878	9,122	21,655	20,010	10,911	6,807	7,400	1,368	80,151

The table below compares the 2021/22 calculations with those for 2020/21 and highlights where the biggest changes are estimated to occur.

Calculation Item	2020/21 Tax Base	2021/22 Tax Base	Change
H	108,142	108,824	682
Q	-9,084	-9,220	-136
E	132	360	228
(H-Q+E)	99,191	99,965	775
Z	-18,685	-20,784	-2,099
(H-Q+E) - Z	80,506	79,181	-1,324
((H-Q+E) - Z) x (F/G)	81,392	80,151	-1,241
Collection Rate	96.50%	95.50%	
Council tax base	78,543	76,544	-1,999