


## Haringey Council

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

<b>Decision Maker (Post Title)</b>	Director of Finance and Section 151 Officer
<b>Subject of the decision</b>	2023-24 Council Tax Base Report
<b>Date of decision</b>	16th January 2023
<b>Decision</b>	<p>I approve the recommendation as set out in the attached report:</p> <p>That, the council tax base for 2023-24 is set at <b>79,718</b> in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; and</p> <p>That the assumed collection rate is set at <b>96%</b> for 2023-24.</p>
<b>Reasons for the decision</b>	<p>The Council is required to set its council tax base by the 31<sup>st</sup> 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>
<b>Details of any alternative options considered and rejected by the officer when making the decision</b>	No alternatives were considered as this is a requirement of a Statutory Instrument.
<p><u><b>Conflicts of interest – Executive decisions</b></u></p> <p>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</p>	None
<p><u><b>Conflicts of interest – Non executive decisions</b></u></p> <p>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,</p>	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These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information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>2023-24 Provisional Local government finance settlement report including the 2023-24 council tax report that sets the referendum principle.</p> <p><a href="#">Provisional local government finance settlement: England, 2023 to 2024</a></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 2023/24

**Report**

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

**Lead Officer:** Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

**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 2023/24. 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 2023/24.

2.2. There is an ongoing trend which sees the working age population increase, this would assume that the Council Tax Reduction Scheme (CTRS) claimant numbers will also increase. Additionally, according to the Office of Budget Responsibility, unemployment rate will peak to 4.9% in 2023/24 (3.7% December 2022), which also indicates the number of claimants for CTRS to increase. A contingency of an additional 1% based on current levels as of December 2022 has been built in, to factor in the population growth and the growing unemployment rate. The contingency has not been set higher as government support, particularly the Council Tax Support grant, is expected to offset some of the predicted increase in claims.

2.3. Forecasts of properties awaiting banding have reduced from 1,600 in the previous financial year to 950 in 2023/24. Previous assumptions hoped the rate of development would be higher post-covid pandemic; this year the assumptions have been adjusted to better reflect the rate of property development. As a result, the level of council tax yield will decrease.

2.4. A key element of the council tax base calculation is the projected collection rate. The collection rate has been forecasted to be 96% (95.75% 2022/23) due to the ongoing expectation to move back to pre-pandemic rates as impacts from Covid19 continue to lessen. Although, there is a cause for concern that the collection rate may not be achieved due to the ongoing cost of living crisis, the support provided by the government in the form of the Cost of Living Payment for 2023/24 should help offset this pressure. Collection rates as of December 2022 is currently 81.67% against the year-to-date target of 80.5% which shows, the council is ahead of target, this provides further assurance that the 96% target is achievable.

- 2.5. Although, these adjustments overall have a negative impact, we still expect to see an increase in the Taxbase of 415 equating to £0.616m compared to the last financial year.

### **3. Recommendations**

- 3.1. That:

- the London Borough of Haringey's council tax base is **79,718** for the year 2023/24 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 **96%** for 2023/24.

### **4. Reason for Decision**

- 4.1. The Council is required to set its council tax base by the 31<sup>st</sup> 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 Local Investment.
- 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. The calculation below sets the tax base and not the council tax amount itself which is due to be set on 2<sup>nd</sup> March 2023 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	3,001
B	9,391
C	22,450
D	21,137
E	11,209
F	6,939
G	7,486
H	1,426
<b>TOTAL</b>	<b>83,039</b>

\*Relevant amounts have been rounded for presentation purposes

### Collection Rate

7.3. 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.

7.4. 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

7.5. For 2023/24 collection rates are forecast at 96%, a small increase on the 2022/23 rate, although cost of living is a cause for concern in achieving this collection rates, the governments support for residents is offsetting some of these pressures.

### **Council Tax Base**

7.6. 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

7.7. 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 2023/24 is as follows:

2023/24	
Total Amount of Relevant (A)	83,039
X	
Collection Rate (B)	96%
<b>Council Tax Base (T)</b>	<b>79,718</b>

### **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 of 31 March 2023 will be used to set the council tax amount for 2023/24 that will be recommended to Full Council on 2<sup>nd</sup> March 2023.

#### Assistant Director of Corporate Governance's Comments

9.2. The Head of Legal and Governance has been consulted in the preparation of this report, and makes the following comments.

9.3. Pursuant to the Council's Constitution at Part Two – Articles of the Constitution - Article 4, paragraph 4.01(b) the decision on setting the council tax is delegated by Full Council to the s151 officer in consultation with CAB and the Cabinet Member for Finance.

Pursuant to the Local Government Finance Act 1992 (the Act) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (the Regulations), the Council is required 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.

9.4. In light of the above, coupled with (1) the assurance given at paragraph 7.7 above that the calculation has been conducted in accordance with the requirements under the Act and the Regulations, and (2) the equality comments below, there is no legal reason why the Director of Finance and Section 151 Officer cannot adopt the Recommendations contained in this report.

#### 9.5. Equality Comments

9.6. 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.

9.7. 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.

9.8. The proposed decision is to Haringey's Council Tax base and the assumed collection rate for 2023/24. 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.

9.9. It is forecast that the number of Council Tax Reduction Scheme (CTRS) claimants will be forecasted to be 1% higher than values shown in December 2022. 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 2023/24.

#### **11. Local Government (Access to Information) Act 1985**

11.1. For access to the background papers or any further information please contact Frances Palopoli.

### 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	2023/24 Total
H	2	7,655	19,035	34,802	27,164	11,144	5,394	4,708	727	<b>110,629</b>
Q	0	-1,131	-2,602	-3,373	-1,792	-638	-236	-162	-18	<b>-9,952</b>
E	0	277	291	272	290	15	15	14	8	<b>1,180</b>
J	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>(H-Q+E+J)</b>	<b>2</b>	<b>6,801</b>	<b>16,723</b>	<b>31,700</b>	<b>25,661</b>	<b>10,521</b>	<b>5,173</b>	<b>4,560</b>	<b>717</b>	<b>101,857</b>
Z	0	-2,299	-4,649	-6,444	-4,524	-1,350	-369	-69	-4	<b>-19,708</b>
<b>(H-Q+E+J) - Z</b>	<b>-1</b>	<b>4,502</b>	<b>12,074</b>	<b>25,257</b>	<b>21,137</b>	<b>9,171</b>	<b>4,804</b>	<b>4,491</b>	<b>713</b>	<b>82,149</b>
F/G		0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
<b>((H-Q+E+J) - Z) x (F/G)</b>		<b>3,001</b>	<b>9,391</b>	<b>22,450</b>	<b>21,137</b>	<b>11,209</b>	<b>6,939</b>	<b>7,486</b>	<b>1,426</b>	<b>83,039</b>

The table below compares the 2023/24 calculations with those for 2022/23 and highlights where the biggest changes are estimated to occur.

Calculation Item	2022/23 Tax Base	2023/24 Tax Base	Change
H	109,668	110,629	961
Q	-9,710	-9,952	-243
E	1914	1,180	-734
<b>(H-Q+E)</b>	<b>101,872</b>	<b>101,857</b>	<b>-16</b>
Z	-19,748	-19,708	40
<b>(H-Q+E) - Z</b>	<b>82,125</b>	<b>82,149</b>	<b>24</b>
<b>((H-Q+E) - Z) x (F/G)</b>	<b>82,823</b>	<b>83,039</b>	<b>217</b>
Collection Rate	95.75%	96.00%	0.25%
<b>Council tax base</b>	<b>79,303</b>	<b>79,718</b>	<b>415</b>