


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	2024-25 Council Tax Base Report
Date of decision	16 January 2024
Decision	<p>I approve the recommendation as set out in the attached report:</p> <p>That, the council tax base for 2024-25 is set at 81,875 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; and That the assumed collection rate is set at 97% for 2024-25.</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These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information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>2024-25 Provisional Local government finance settlement report including the 2024-25 council tax report that sets the referendum principle.</p> <p>Consultation: provisional local government finance settlement 2024 to 2025 - GOV.UK (www.gov.uk)</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 2024/25

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 2024/25. 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 2024/25.

2.2. In the previous year, an additional 1% contingency was incorporated into the estimates of for changes to the Council Tax Reduction Scheme (CTRS) claimant numbers in response to the poor economic climate particularly the rising cost of living. As of November 2023, the inflation rate has notably decreased from 9.3% in November 2022 to 4.2%, as reported by the Office for National Statistics. Anticipated interest rate cuts for 2024 further contribute to the improved economic landscape. Due to this more favourable outlook, no growth in CTRS numbers has been included in the CTRS for the current year. This is also supported by the monthly data on claimant numbers which indicate levels are stabilising.

2.3. The forecast for properties awaiting banding has been adjusted slightly upwards, rising from 950 to 1000 for the year 2024/25. This adjustment is supported by internal housing approval monitoring and past completion rates, where an average of around 1,000 new homes has been completed annually over the last three years. This prediction is based on the continuous pipeline supply of housing developments, contributing to the slight increase in the forecasted number of properties awaiting banding for the upcoming year. As c. 79% of properties in the Borough are within Bands A – D, the modelling assumes that any new properties coming into rating through the year will also be within one of these categories.

2.4. A key element of the council tax base calculation is the projected collection rate. The collection rate for 2024/25 has been forecasted to be 97% (96.0% 2023/24) as the Council continues to move back to pre-COVID rates.

As of October 2023, the collection rate is at 62.32%, slightly under the year-to-date target of 64.42%. Despite this variance, achieving the higher collection rate is still deemed realistic due to planned management actions and digital initiatives.

- 2.5. We expect to see an increase in the Taxbase of 2,158 equating to an increased yield of £3.530m compared to the last financial year. This represents a 1.65% increase in taxbase compared to 2023/24 and is driven predominately by increased properties coming into rating and the 1% assumed improvement in the collection rate.

3. Recommendations

3.1. That:

- the London Borough of Haringey's council tax base is **81,875** for the year 2024/25 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 **97%** for 2024/25.

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 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 4th March 2024 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	3,052
B	9,353
C	22,819
D	21,738
E	11,450
F	7,024
G	7,521
H	1,451
TOTAL	84,408

*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:

- Internal systems and processes involved in the billing and collection process
- 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 2024/25 collection rates are forecast at 97%, a 1.0% increase on the 2023/24 rate of 96.0%.

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 2024/25 is as follows:

2024/25	
Total Amount of Relevant (A)	84,408
X	
Collection Rate (B)	97%
Council Tax Base (T)	81,875

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 2024 will be used to budget the council tax receivable for 2024/25 that will be included in the final Budget recommended to Full Council on 4th March 2024.

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. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.8. The proposed decision is to Haringey's Council Tax base and the assumed collection rate for 2024/25. 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. There are no known equalities implications arising from this decision.

10. Use of Appendices

10.1. Appendix 1 & 2 – Calculation of the estimated adjusted band D properties for the London Borough Haringey 2024/25.

11. Local Government (Access to Information) Act 1985

11.1. None.

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	2024/25 Total
H	2	7,694	19,067	35,266	27,716	11,329	5,448	4,739	736	111,995
Q	0	-1,114	-2,627	-3,394	-1,811	-649	-238	-166	-18	-10,016
E	0	379	320	288	312	16	15	4	11	1,345
J	0	0	0	0	0	0	0	0	0	0
(H-Q+E+J)	2	6,959	16,760	32,160	26,217	10,697	5,226	4,578	729	103,325
Z	0	-2,381	-4,735	-6,488	-4,479	-1,328	-363	-65	-4	-19,843
(H-Q+E+J) - Z	-1	4,578	12,025	25,672	21,738	9,368	4,863	4,512	725	83,482
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)		3,052	9,353	22,819	21,738	11,450	7,024	7,521	1,451	84,408

The table below compares the 2024/25 calculations with those for 2023/24 and highlights where the biggest variances are estimated to occur.

Calculation Item	2023/24 Tax Base	2024/25 Tax Base	Change
H	110,629	111,995	1,366
Q	-9,952	-10,016	-63
E	1,180	1,345	165
(H-Q+E)	101,857	103,325	1,468
Z	-19,708	-19,843	-135
(H-Q+E) - Z	82,149	83,482	1,333
((H-Q+E) - Z) x (F/G)	83,039	84,408	1,368
Collection Rate	96.00%	97.00%	1.00%
Council tax base	79,718	81,875	2,158