**COUNCIL – 13 DECEMBER 2016**

**15. COUNCIL TAX BASE FINANCIAL YEAR 2017/2018**

(DoF)

1. **Summary**

1.1 This report details the Authority’s Council tax base for 2017/2018 which must be approved between 1 December 2016 and 31 January 2017.

2. **Details**

2.1 The Local Government Finance Act 1992 Section 31B (1) - (the Act), requires a billing authority to calculate a base which it, and the major precepting authority, can use in the formula for setting their respective council tax charges.

2.2 Section 34(3) requires the billing authority to calculate the base for a part, or parts, of its area to which special items apply.

2.3 The methodology to be employed is contained within The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, Statutory Instrument No 2914/2012 – (the Regulations)

2.4 The calculation is made by applying the following formula:-

 A x B

 where -

 A is the total of the “relevant amounts” for that year for each of the valuation bands shown in the billing authority’s valuation list as applicable to one or more dwellings situated in its area;

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

2.5 The “relevant amounts” in ‘A’ above are calculated in accordance with the formula:-

|  |  |
| --- | --- |
| ((H – Q + J) – Z) x | F |
|  | G |

 where -

 H is the number of chargeable dwellings in the area listed in the band at November 2016 (described as ‘Dwellings’ in the Appendices); less the number of dwellings which were exempt on that day; plus or less the net number of full-year equivalent dwellings in each band resulting from properties being placed in a lower valuation band reflecting reductions for disabled persons under Section 13 of the Act (described as “Disabled Relief” in the Appendices)

 Q is a factor to take into account the amount of discounts of council tax payable and is calculated by multiplying the number of dwellings affected by the relevant percentage discount

 J is the amount of any adjustment in respect of changes in the number of chargeable dwellings (described as “Additions and Reductions” in the Appendices).

 Z is the total amount that will be applied in accordance with the Council’s council tax reduction scheme in relation to the band expressed as an equivalent number of chargeable dwellings in that band.

 F is the number in the proportions 5:6:7:8:9:11:13:15:18 applicable to properties in Bands A Disabled to H respectively.

 G is the number, which, in that proportion, is applicable to dwellings in valuation Band D (i.e. 9).

* 1. The appendices to this report show the relevant calculations.
	2. The Council must estimate the amounts of council tax that are likely to be paid to the Authority against the amount of council tax payable. It is important to set the estimate of the collection rate at a realistic level. It is recommended that the collection rate for the District and each part thereof, be set at 99.00%.
	3. The council tax base takes into account the establishment of the new parish Council called ‘Batchworth’ who will be issuing a precept to its charge payers in 2017/18.

2.9 “Contributions in Lieu” are amounts paid to this Authority by the Secretary of State for Defence. They are paid in respect of certain dwellings used for the purposes of home forces’ accommodation which are exempt for the purposes of council tax.

3. **Options/Reasons for Recommendation**

3.1 The recommendation is made in order to determine the council tax base for 2017/2018.

4. **Policy/Budget Reference and Implications**

4.1 The recommendations in this report are within the Council’s agreed policies relating to the tax base.

5. **Financial Implications**

5.1The Council Tax Base shows an increase from last year.

6. **Legal Implications**

6.1 Included in the report.

7. **Risk Management and Health & Safety Implications**

7.1 The Council has agreed its risk management strategy which can be found on the website at http://www.threerivers.gov.uk.

7.2 The subject of this report is covered by the Revenues and Benefits shared service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

7.3 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood:

|  |  |  |
| --- | --- | --- |
| Description of Risk | Impact | Likelihood |
| 1 | Incorrect forecast of the council tax base | III | E |

7.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

|  |  |  |
| --- | --- | --- |
| Description of Risk | Impact | Likelihood |
| 2 | Failure to meet the statutory requirement to set the council tax base | IV | A |

7.5 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Likelihood** | A |  |  |  | 2 |  | Impact | Likelihood |
| B |  |  |  |  |  | V = Catastrophic | A = >98% |
| C |  |  |  |  |  | IV = Critical | B = 75% - 97% |
| D |  |  |  |  |  | III = Significant | C = 50% - 74% |
| E |  |  | 1 |  |  | II = Marginal | D = 25% - 49% |
| F |  |  |  |  |  | I = Negligible | E = 3% - 24% |
|  | I | II | III | IV | V |  | F = <2% |
| **Impact** |  |  |

8. **Staffing, Environmental, Community Safety, Customer Services Centre, Communications & Website and Health & Safety Implications**

8.1 None specific.

9. **Recommendation**

9.1 That the calculation of the Council’s tax base for the year 2017/2018 be approved.

9.2 That in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by the Three Rivers District Council as its Council tax base for the year 2017/2018 shall be:-

|  |  |
| --- | --- |
|  | Band D Equivalents |
|  |  |
| Abbots LangleyBatchworth | 8,227.56,140.9 |
| Chorleywood | 6,185.1 |
| Croxley Green | 5,492.5 |
| Sarratt | 1,080.7 |
| Watford Rural | 6,915.2 |
| Unparished Area | 3,770.2 |
| Total District | 37,812.1 |

 **Background Papers**

 Local Government Finance Act.

 Statutory Instrument No 2914 of 2012.

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 **APPENDICES**

 Appendix 1: Tax base calculations for each Parish/Unparished area

**APPENDIX 1**















