

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	25 NOVEMBER 2019
SUBJECT:	THE COUNCIL TAX BASE FOR 2020/21
PORTFOLIO HOLDER(S):	COUNCILLOR ROBIN WILLIAMS (PORTFOLIO HOLDER - FINANCE)
HEAD OF SERVICE:	MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
REPORT AUTHOR: TEL: E-MAIL:	GERAINT H JONES (REVENUE AND BENEFITS SERVICE MANAGER) 01248 752651 ghifi@ynysmon.gov.uk
LOCAL MEMBERS:	N/A

A - Recommendation/s and Reason/s

I recommend that the Executive makes the following decisions:-

- To note the calculation of the Council Tax Base by the Director of Function (Resources) and the Section 151 Officer, this will be used by the Welsh Government in the calculation of the Revenue Support Grant for the Isle of Anglesey County Council for the 2020/21 financial year, being 30,927.17 (see **Appendix A** in respect of the calculation of the Council Tax Base for this purpose – Part E6).
- That the calculation by the Director of Function (Resources) and the Section 151 Officer for the purpose of setting the Council Tax Base for the whole and parts of the area for the year 2020/21 is approved (see **Appendix A** for the calculation of the tax base – Part E5).
- That, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (SI19956/2561) as amended by SI1999/2935 and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 and the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016, the amounts calculated by Isle of Anglesey County Council as its tax base for the year 2020/21 shall be 31,532.53, and as follows for the parts of the area listed below :-

Amlwch	1,495.67
Beaumaris	1,082.64
Holyhead	3,967.89
Llangefni	1,990.72
Menai Bridge	1,440.67
Llanddaniel-fab	397.03
Llanddona	378.63
Cwm Cadnant	1,150.29
Llanfair Pwllgwyngyll	1,325.03
Llanfihangel Ysceifiog	691.10
Bodorgan	470.32
Llangoed	656.53
Llangristiolus and Cerrigceinwen	636.43
Llanidan	418.06
Rhosyr	1,030.96
Penmynydd	244.02
Pentraeth	587.83
Moelfre	628.73
Llanbadrig	701.83
Llanddyfnan	511.77

Llaneilian	578.69
Llannerch-y-medd	530.09
Llaneugrad	187.19
Llanfair Mathafarn Eithaf	1,874.32
Cylch y Garn	409.69
Mechell	554.88
Rhos-y-bol	481.07
Aberffraw	303.31
Bodedern	422.10
Bodffordd	419.32
Trearddur	1,277.31
Tref Alaw	263.66
Llanfachraeth	229.19
Llanfaelog	1,277.95
Llanfaethlu	279.75
Llanfair-yn-Neubwll	564.91
Valley	988.73
Bryngwran	363.51
Rhoscolyn	357.81
Trewalchmai	362.90

REASONS AND BACKGROUND

The calculations have been made in accordance with the Welsh Government Guidelines for Council Tax Dwellings (CT1 v.1.1) 2020/21 based on the number of properties in various bands on the valuation list on 31 October 2019 and summarised by the Authority under Section 22B (7) of the Local Government Finance Act 1992, as supplemented by the Local Government Act 2003. The calculations take into account discounts, exemptions and premiums as well as changes to the valuation list likely during 2020/21.

The Isle of Anglesey County Council, as the billing authority, is required to calculate the Council Tax Base for its area and different parts of its area and these amounts must be notified to the precepting and levying bodies by 31 December 2019. This year, the Welsh Government has requested the information for the purpose of setting the Revenue Support Grant by 14 November 2019, and for tax setting purposes (ratified by Executive decision) by 3 January 2020.

The calculations in **Appendix A** are based on discounts of nil being confirmed for Classes A, B and C; the premium of 100% on long term empty homes and a premium of 35% on second homes for 2020/21 by the full Council at its meeting on 27 February 2019. The calculations are also based on the full Council decision at its meeting on 11 December 2018, that its current local Council Tax Reduction Scheme would apply for subsequent years unless substantially amended. For 2020/21, only the usual benefit upratings will apply. The Welsh Government is continuing to fully meet the costs of the previous UK national scheme but costs arising from caseloads and / or increase in Council Tax will fall on local councils.

THE COUNCIL TAX BASE FOR CALCULATING THE REVENUE SUPPORT GRANT

The total band D equivalent discount, before adjusting for the collection rate (and which includes allowance for Ministry of Defence properties), will be used in calculating claims for the Revenue Support Grant for 2020/21. **BUT**, this total, which is used in calculating the RSG, **excludes adjustments for premiums and, for 2020/21 onwards, the discounts granted by some authorities in respect of Classes A, B and C (this does not affect Isle of Anglesey as no discounts are granted)**. This figure is calculated to be 30,927.17 (compared to 30,876.09 for 2019/20). This is an increase of 0.17%.

THE TAX BASE FOR TAX SETTING PURPOSES

The total band D equivalent discount that is used for tax setting purposes has been adjusted by a provision for non-collection, which continues to be 1.5%, and also includes allowance for Ministry of Defence properties. This figure is calculated to be 31,532.53. **Note, therefore, that the figures under recommendation 3 includes the adjustments for premiums.**

The total base proposed for 2020/21 for the purpose of tax setting purposes is 31,532.53. This compares with 31,571.46 for 2019/20 and is a decrease of 0.12%. This is as a result of additional single person discounts, additional discounts and exemptions for severe mental impairment following a national promotion campaign and a reduction in the number of long term empty dwellings subject to the premium. This has not being fully offset by additional dwellings entering the valuation list during the year.

The tax base for long term empty properties for 2020/21 is 318.11, as compared to 448.67 for 2019/20.

The tax base for second homes for 2020/21 is 765.53, as compared to 725.63 for 2019/20.

B - What other options did you consider and why did you reject them and / or opt for this option?

The full Council has the discretion, under regulations made under Section 12 of the Local Government Finance Act 1992 and, subsequently, under the Local Government Act 2003, to set discounts for prescribed classes of dwellings (mainly holiday homes and second homes (Classes A and B)). When this was introduced, the full Council decided to set a discount of nil for both prescribed classes A and B and this has been confirmed annually thereafter. In March 2007, the full Council, on the recommendation of the Executive, also set a discount of nil for Prescribed Class C (certain types of long term empty properties) for the first time and has done so annually thereafter.

To award discounts of 25%, 50% or 100% would be contrary to full Council policy and this option was rejected.

The full Council, on 27 February 2019 set a Council Tax premium of 100% on long term empty properties and a premium of 35% on second homes from 1 April 2019. The calculation and recommendations herein are in accordance with that decision.

C – Why is this a decision for the Executive?

Until 2004, this calculation was determined by the full Council. This function has now been removed from the list of functions reserved for the full Council. Decisions relating to discounts and premiums, along with the setting of a local Council Tax Reduction Scheme, however, still remains the responsibility of the full Council rather than the Executive.

CH – Is this decision consistent with policy approved by the full Council?

The calculation of the tax base takes into account the full Council's current approved policy on the granting of discounts for prescribed classes A, B and C, and also the full Council's policy on awarding up to 100% Council Tax Reduction to those eligible under the Council's local scheme.

The calculation and recommendations herein are in accordance with that decision and also that the full Council, in its meeting on 27 February 2019, set a Council Tax premium of 100% on long term empty properties and a premium of 35% on second homes from 1 April 2019.

D – Is this decision within the budget approved by the Council?

The tax base calculation will enable the full Council to set its Council Tax requirement to meet its approved budget for 2020/21.

DD - Who did you consult?**What did they say?**

	DD - Who did you consult?	What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	No comment
2	Finance / Section 151 (mandatory)	Author of the report.
3	Legal / Monitoring Officer (mandatory)	No comment
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local members	
9	Any external bodies / other / other	

E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	equalities	
6	Outcome agreements	
7	Other	<p>The calculation of the tax base may not be sufficiently accurate i.e. inaccurate calculation of exemptions and discounts, inaccurate calculation of the number of dwellings for which the premiums are applicable, the changes likely to take place in 2020/21 incorrect, such as underestimation of erosion in the tax base over the years e.g. banding reductions and an overly optimistic collection rate. The risk to the Council would be a shortfall in the Council Tax collected during the year.</p> <p>Mitigation is by taking a conservative approach when estimating new builds and for properties for which a premium can be charged and by making an allowance for the erosion of the tax base and the collection rate.</p>
F - Attachments:		
Appendix A: Calculation for the Local Tax Base 2020/21		
FF - Background Papers (please contact the author of the report for further information):		
Welsh Government Notes for Guidance on Council Tax Dwellings (CT1) 2020/21		

APPENDIX A

CALCULATION OF LOCAL TAX BASE 2020/21

BAND	A*	A	B	C	D	E	F	G	H	I	TOTAL	
Part A	CHARGEABLE DWELLINGS											
A.1	All Chargeable Dwellings		4,638	6,587	6,555	7,040	5,338	2,633	1,030	159	52	34,032
A.2	Dwellings subject to disability reduction		14	48	48	92	73	54	14	10	6	359
A.3	Adjusted chargeable dwellings (taking into account disability reductions)	14	4,672	6,587	6,599	7,021	5,319	2,593	1,026	155	46	34,032
Part B	DISCOUNT AND PREMIUM ADJUSTMENTS											
B.1	Dwellings with no discount or premium (including empty properties and second homes with no discount or premium)	8	1,807	3,539	3,753	4,304	3,659	1,893	738	96	28	19,825
B.2a	Dwellings with a 25% discount (excluding empty properties and second homes)	6	2,624	2,738	2,367	2,103	1,226	473	157	23	5	11,722
B.2b	Dwellings with a 50% discount (excluding empty properties and second homes)	0	11	14	19	20	18	7	12	4	0	105
B.3a	Dwellings with a variable discount other than 25% or 50%	0	0	0	0	0	0	0	0	0	0	0
B.3b	Dwellings with long term empty or second homes discount		0	0	0	0	0	0	0	0	0	0
B.3c	Dwellings with long term empty or second homes premium		230	296	460	594	416	220	119	32	13	2,380
B.4	Total adjusted chargeable dwellings	14	4,672	6,587	6,599	7,021	5,319	2,593	1,026	155	46	34,032
B.5	Total variable discounts	0	0	0	0	0	0	0	0	0	0	0
B.6	Long term empty property and second homes discount adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B.7	Long term empty property and second homes premium adjustment		133.2	149.1	190.9	248.2	172.9	89.4	50.1	12.5	5.2	1,051.4

CALCULATION OF LOCAL TAX BASE 2020/21

	BAND	A*	A	B	C	D	E	F	G	H	I	TOTAL
Part C	CALCULATION OF CHARGEABLE DWELLINGS WITH DISCOUNTS AND PREMIUMS											
C.2	Total dwellings including discounts and premiums	13	4,144	6,045	6,189	6,733	5,176	2,561	1,031	160	50	31,884.68
C.3	Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
C.4	Band D equivalents (rounded to two decimal places)	6.94	2,762.43	4,701.36	5,501.02	6,733.45	6,326.71	3,698.64	1,718.08	319.50	116.55	
C.7	Total discounted dwellings excluding long term empty and second homes adjustment	13	4,011	5,896	5,998	6,485	5,004	2,471	981	147	45	
C.8	Band D equivalents excluding long term empty and second homes adjustment	6.94	2,673.67	4,585.39	5,331.33	6,485.25	6,115.39	3,569.58	1,634.58	294.50	104.42	
Part E	CALCULATION OF COUNCIL TAX BASE											
E.1	Chargeable dwellings: Band D equivalents											31,884.68
E.2	Collection rate (rounded to two decimal places)											98.50%
E.3	= E1 x E2 (rounded to 2 decimal places)											31,406.41
E.4	Class O exempt dwellings: Band D equivalents (Ministry of Defence properties)											126.12
E.5	Council Tax Base for tax setting purposes											31,532.53
E.5a	Discounted chargeable dwellings excluding long term empty and second homes adjustment											30,801.05
E.6	100% Council Tax Base for calculating revenue support grant											30,927.17