

## Isle of Anglesey County Council

<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>30 NOVEMBER 2020</b>
<b>Subject:</b>	<b>THE COUNCIL TAX BASE FOR 2021/22</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR ROBIN WILLIAMS (PORTFOLIO HOLDER - FINANCE)</b>
<b>Head of Service / Director:</b>	<b>MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>
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<b>Local Members:</b>	<b>N/A</b>

### 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 2021/22 financial year, being 30,880.22 (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 2021/22 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 (SI1995/2561) 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 2021/22 shall be 31,548.20, and as follows for the parts of the area listed below :-

Amlwch	1,519.66	Llaneilian	580.02
Beaumaris	1,081.50	Llannerch-y-medd	529.34
Holyhead	3,990.91	Llaneugrad	184.19
Llangefni	1,976.50	Llanfair Mathafarn Eithaf	1,850.63
Menai Bridge	1,478.06	Cylch y Garn	400.30
Llanddaniel-fab	381.29	Mechell	556.99
Llanddona	385.84	Rhos-y-bol	479.47
Cwm Cadnant	1,159.87	Aberffraw	306.84
Llanfair Pwllgwyngyll	1,331.84	Bodedern	427.24
Llanfihangel Ysceifiog	693.53	Bodffordd	426.65
Bodorgan	464.26	Trearddur	1,271.33
Llangoed	653.68	Tref Alaw	266.44
Llangristiolus and Cerrigceinwen	629.11	Llanfachraeth	226.29
Llanidan	415.21	Llanfaelog	1,270.30
Rhosyr	1,025.44	Llanfaethlu	270.72
Penmynydd	246.78	Llanfair-yn-Neubwll	589.19

Pentraeth	579.06	Valley	1,009.83
Moelfre	621.39	Bryngwran	359.06
Llanbadrig	683.74	Rhoscolyn	358.31
Llanddyfnan	503.92	Trewalchmai	363.47

## REASONS AND BACKGROUND

The calculations have been made in accordance with the Welsh Government Guidelines for Council Tax Dwellings (CT1 v.1.0) 2021/22 based on the number of properties in various bands on the valuation list on 31 October 2020 and summarised by the Authority under Section 22B (7) of the Local Government Finance Act 1992. The calculations take into account discounts, exemptions and premiums as well as changes to the valuation list likely during 2021/22.

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 2020. This year, the Welsh Government has requested the information for the purpose of setting the Revenue Support Grant by 13 November 2020, and for tax setting purposes (ratified by Executive decision) by 4 January 2021.

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 23 February 2020. 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 2021/22, 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 2021/22. This total, which is used in calculating the RSG, excludes adjustments for premiums and discounts granted by some authorities in respect of Classes A, B and C. This figure is calculated to be 30,880.22 (compared to 30,927.17 for 2020/21). This is a reduction of 0.15%.

## 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 31,548.20. Note, therefore, that the figures under recommendation 3 includes the adjustments for premiums.

The total base proposed for 2021/22 for the purpose of tax setting purposes is 31,548.20. This compares with 31,532.53 for 2020/21 and is an increase of 0.05%. This apparent static tax base is subject to volatility. The decrease in the tax base is caused by an increase in single person discounts and a reduction in the number of chargeable properties on the one side, with an increase of long term empty property/second homes subject to the premium and new properties coming into the tax base on the other side. These changes nearly cancelling each other out.

The tax base for long term empty properties for 2021/22 is 372.78, as compared to 318.11 for 2020/21.

The tax base for second homes for 2021/22 is 773.42, as compared to 765.53 for 2020/21.

**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 2021/22.

**DD – Impact on our Future Generations(if relevant)**

1	<b>How does this decision impact on our long term needs as an Island</b>	This is an annual calculation of the tax base for the Council to set its Council Tax requirement.
2	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	This is an annual calculation of the tax base for the Council to set its Council Tax requirement.

3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	No.
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	No.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	This is an annual calculation of the tax base for the Council to set its Council Tax requirement.
<b>E – Who did you consult?</b>		<b>What did they say?</b>
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	Procurement	
8	Scrutiny	
9	Local Members	
<b>F - Appendices:</b>		
Appendix A: Calculation for the Local Tax Base 2021/22		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
Welsh Government Notes for Guidance on Council Tax Dwellings (CT1) 2021/2122		

APPENDIX A

CALCULATION OF LOCAL TAX BASE 2021/22

BAND	A*	A	B	C	D	E	F	G	H	I	TOTAL	
<b>Part A</b>	<b>CHARGEABLE DWELLINGS</b>											
A.1	All Chargeable Dwellings		4,676	6,614	6,502	7,042	5,333	2,602	1,029	158	53	34,009
A.2	Dwellings subject to disability reduction		13	49	48	84	72	54	11	10	6	347
A.3	Adjusted chargeable dwellings (taking into account disability reductions)	13	4,712	6,613	6,538	7,030	5,315	2,559	1,028	154	47	34,009
<b>Part B</b>	<b>DISCOUNT AND PREMIUM ADJUSTMENTS</b>											
B.1	Dwellings with no discount or premium (including long-term empty properties and second homes with no discount or premium)	6	1,849	3,546	3,655	4,291	3,609	1,855	731	98	27	19,667
B.2a	Dwellings with a 25% discount (excluding long-term empty properties and second homes)	7	2,603	2,745	2,387	2,106	1,250	483	167	20	4	11,772
B.2b	Dwellings with a 50% discount (excluding long-term empty properties and second homes)	0	13	12	21	23	21	3	12	4	0	109
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 property or second homes premium		247	310	475	610	435	218	118	32	16	2,461
B.4	Total adjusted chargeable dwellings	13	4,712	6,613	6,538	7,030	5,315	2,559	1,028	154	47	34,009
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
B.7	Long term empty property and second homes premium adjustment		142.4	161.8	204.6	262.9	190.0	88.0	49.1	12.5	6.3	1,117.5

**CALCULATION OF LOCAL TAX BASE 21/22**

	<b>BAND</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>TOTAL</b>
<b>Part C</b>	<b>CALCULATION OF CHARGEABLE DWELLINGS WITH DISCOUNTS AND PREMIUMS</b>											
<b>C.2</b>	Total dwellings including discounts and premiums	11	4,197	6,083	6,135	6,755	5,182	2,525	1,029	160	52	31,880.58
<b>C.3</b>	Ratio to Band D	<b>5/9</b>	<b>6/9</b>	<b>7/9</b>	<b>8/9</b>	<b>1</b>	<b>11/9</b>	<b>13/9</b>	<b>15/9</b>	<b>18/9</b>	<b>21/9</b>	
<b>C.4</b>	Band D equivalents (rounded to two decimal places)	6.25	2,798.07	4,730.87	5,453.64	6,754.90	6,333.49	3,646.86	1,715.58	319.00	121.92	
<b>C.7</b>	Total discounted dwellings excluding long term empty and second homes adjustment	11	4,055	5,921	5,931	6,492	4,992	2,437	980	147	46	
<b>C.8</b>	Band D equivalents excluding long term empty and second homes adjustment	6.25	2,703.17	4,605.03	5,271.78	6,492.00	6,101.33	3,519.75	1,633.75	294.00	107.33	
<b>Part E</b>	<b>CALCULATION OF COUNCIL TAX BASE</b>											
<b>E.1</b>	Chargeable dwellings: Band D equivalents											31,880.58
<b>E.2</b>	Collection rate (rounded to two decimal places)											98.50%
<b>E.3</b>	= E1 x E2 (rounded to 2 decimal places)											31,402.37
<b>E.4</b>	Class O exempt dwellings: Band D equivalents (Ministry of Defence properties)											145.83
<b>E.5</b>	<b>Council Tax Base for tax setting purposes</b>											<b>31,548.20</b>
<b>E.5a</b>	Discounted chargeable dwellings excluding long term empty and second home adjustment											30,734.39
<b>E.6</b>	<b>100% Council Tax Base for calculating revenue support grant</b>											<b>30,880.22</b>

