

## Isle of Anglesey County Council

<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>29 NOVEMBER 2022</b>
<b>Subject:</b>	<b>THE COUNCIL TAX BASE FOR 2023/24</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR ROBIN WILLIAMS PORTFOLIO HOLDER - FINANCE, CORPORATE BUSINESS AND CUSTOMER EXPERIENCE</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) / 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 2023/24 financial year, being **31,272.36** (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) / Section 151 Officer for the purpose of setting the Council Tax Base for the whole and parts of the area for the year 2023/24 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 2023/24 shall be **32,819.56**, and as follows for the parts of the area listed below :-

Amlwch	1,561.06
Beaumaris	1,102.52
Holyhead	4,161.60
Llangefni	2,111.52
Menai Bridge	1,489.58
Llanddaniel-fab	377.55
Llanddona	418.99
Cwm Cadnant	1,203.84
Llanfair Pwllgwyngyll	1,338.51
Llanfihangel Ysceifiog	711.47
Bodorgan	476.72
Llangoed	690.37
Llangristiolus and Cerrigceinwen	645.45

Llaneilian	614.45
Llannerch-y-medd	539.14
Llaneugrad	193.38
Llanfair Mathafarn Eithaf	1,936.09
Cylch y Garn	411.89
Mechell	588.55
Rhos-y-bol	485.78
Aberffraw	306.64
Bodedern	429.12
Bodfordd	420.51
Trearddur	1,419.34
Tref Alaw	273.58
Llanfachraeth	237.27

Llanidan	426.02	Llanfaelog	1,389.80
Rhosyr	1,055.40	Llanfaethlu	277.23
Penmynydd	259.29	Llanfair-yn-Neubwll	585.82
Pentraeth	596.47	Valley	1,048.41
Moelfre	672.00	Bryngwran	365.06
Llanbadrig	702.26	Rhoscolyn	383.28
Llanddyfnan	531.14	Trewalchmai	382.46

## REASONS AND BACKGROUND

The calculations have been made in accordance with the Welsh Government Guidelines for Council Tax Dwellings (CT1 v.1.0) 2023/24 based on the number of properties in various bands on the valuation list on 31 October 2022 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 2023/24.

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 2022. This year, the Welsh Government has requested the information for the purpose of setting the Revenue Support Grant by 14 November 2022, and for tax setting purposes (ratified by Executive decision) by 6 January 2023.

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 75% on second homes for 2023/24 are based on the Executive's intentions set out in their meeting on 25 October 2021 to increase the second home premium (subject to ratification by the Executive). 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 2023/24, 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 2023/24. 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 does not affect the Isle of Anglesey as no such discounts are granted). This figure is calculated to be 31,272.36 (compared to 31,079.93 for 2022/23). This is an increase of 0.62%.

## 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 32,819.56. Note, therefore, that the figures under recommendation 3 includes the adjustments for premiums.

The total base proposed for 2023/24 for the purpose of tax setting purposes is 32,819.56. This compares with 32,042.00 for 2022/23 and is an increase of 2.43%. A number of factors impact on the taxbase, including the number of new properties that are estimated to be added to the Council Tax register in 2023/24, the number of exemptions and discounts granted and the number subject to the empty property and second homes premium and the premium percentage. The increase in the second homes premium, from 50% to 75% in 2023/24, has resulted in a significant increase in the taxbase and, without the increase in the premium percentage, the taxbase would only have risen 0.65%.

The tax base for long term empty properties for 2023/24 is 311.69, as compared to 303.93 for 2022/23 and is as a result of an increase of 13 empty properties which are subject to the empty property premium.

The tax base for second homes for 2023/24 is 1,703.21, as compared to 1,122.30 for 2022/23. The increase reflects an increase of 39 in the number of properties which are currently subject to the premium, but the increase in the premium rate from 50% to 75% also has a significant impact on this element of the taxbase.

The change in the taxbase impacts on the Council's starting point for the revenue budget for 2023/24, and this will be covered in more detail in subsequent budget reports to the Executive. However, to summarise, the increase in the number of properties subject to the standard Council Tax will generate an additional £245k in revenue (based on the 2022/23 Council Tax charge), but this will result in a loss of £280k in Aggregate External Finance (AEF) from Welsh Government (based on the Standard Spending Assessment for 2022/23 and the same estimated level of Band D Council Tax charge as 2022/23). The increase in the number of empty properties will increase the empty property premium income by £11k, but the increase in the number of properties subject to the second homes premium will generate an additional £18k. The increase in the second homes premium from 50% to 75% will generate an additional £776k in funding.

### **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 50% on second homes from 1 April 2022, with the intention to increase the premium on second homes to 75% from 1 April 2023. 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. The decision to increase the premium on second homes from 1 April 2023 to 75% will be ratified by the full Council when the budget is approved in March 2023.

**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 2023/24.

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

1	<b>How does this decision impact on our long term needs as an Island</b>	The decision will impact on the Council’s revenue budget and the implications of this decision on the long term needs of the Island will be considered as the revenue budget process continues.
2	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	Not applicable
3	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	Not applicable
4	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	The citizens of Anglesey will be consulted on the budget proposals in due course.
5	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	Not applicable

**E – Who did you consult? What did they say?**

1	<b>Chief Executive / Senior Leadership Team (SLT) (mandatory)</b>	No additional comments made.
2	<b>Finance / Section 151(mandatory)</b>	Author of the report.
3	<b>Legal / Monitoring Officer (mandatory)</b>	No additional comments made.
4	<b>Human Resources (HR)</b>	Not applicable
5	<b>Property</b>	Not applicable
6	<b>Information Communication Technology (ICT)</b>	Not applicable
7	<b>Procurement</b>	Not applicable
8	<b>Scrutiny</b>	Not applicable
9	<b>Local Members</b>	Not applicable

**F - Appendices:**

Appendix A: Calculation for the Local Tax Base 2022/23

**FF - Background papers (please contact the author of the Report for any further information):**

Welsh Government Notes for Guidance on Council Tax Dwellings (CT1) 2023/24

APPENDIX A

CALCULATION OF LOCAL TAX BASE 2022/23

BAND	A*	A	B	C	D	E	F	G	H	I	TOTAL	
<b>Part A</b>	<b>CHARGEABLE DWELLINGS</b>											
<b>A.1</b>	All Chargeable Dwellings		4,643	6,704	6,689	7,131	5,372	2,624	1,044	159	52	34,418
<b>A.2</b>	Dwellings subject to disability reduction		12	50	51	90	82	58	10	10	6	369
<b>A.3</b>	<b>Adjusted chargeable dwellings (taking into account disability reductions)</b>	<b>12</b>	<b>4,681</b>	<b>6,705</b>	<b>6,728</b>	<b>7,123</b>	<b>5,348</b>	<b>2,576</b>	<b>1,044</b>	<b>155</b>	<b>46</b>	<b>34,418</b>
<b>Part B</b>	<b>DISCOUNT AND PREMIUM ADJUSTMENTS</b>											
<b>B.1</b>	Dwellings with no discount or premium (including empty properties and second homes with no discount or premium)	6	1,851	3,601	3,821	4,393	3,646	1,840	732	96	30	20,016
<b>B.2a</b>	Dwellings with a 25% discount (excluding empty properties and second homes)	6	2,560	2,769	2,388	2,109	1,268	505	175	23	5	11,808
<b>B.2b</b>	Dwellings with a 50% discount (excluding empty properties and second homes)	0	8	9	13	15	17	3	12	4	0	81
<b>B.3a</b>	Dwellings with a variable discount other than 25% or 50%	0	0	0	0	0	0	0	0	0	0	0
<b>B.3b</b>	Dwellings with long term empty or second homes discount	0	0	0	0	0	0	0	0	0	0	0
<b>B.3c</b>	Dwellings with long term empty or second homes premium	0	262	326	506	606	417	228	125	32	11	2,513
<b>B.4</b>	<b>Total adjusted chargeable dwellings</b>	<b>12</b>	<b>4,681</b>	<b>6,705</b>	<b>6,728</b>	<b>7,123</b>	<b>5,348</b>	<b>2,576</b>	<b>1,044</b>	<b>155</b>	<b>46</b>	<b>34,418</b>
<b>B.5</b>	Total variable discounts	0	0	0	0	0	0	0	0	0	0	0
<b>B.6</b>	Long term empty property and second homes discount adjustment	0	0	0	0	0	0	0	0	0	0	0
<b>B.7</b>	Long term empty property and second homes premium adjustment	0	213.3	259.8	395	473.8	322	175.5	96	24.8	8.3	1,968.3

<b>Part C CALCULATION OF CHARGEABLE DWELLINGS WITH DISCOUNTS AND PREMIUMS</b>												
<b>C.2</b>	Total dwellings including discounts and premiums	44	4,250	6,268	6,520	7,062	5,345	2,624	1,090	172	53	
<b>C.3</b>	Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
<b>C.4</b>	Band D equivalents (rounded to two decimal places)	5.83	2,833.50	4,875.11	5,795.11	7,062.00	6,532.17	3,789.86	1,817.08	344.00	123.67	33,178.33
<b>C.7</b>	Total discounted dwellings excluding long term empty and second homes adjustment	11	4,037	6,008	6,125	6,588	5,023	2,448	994	147	45	
<b>C.8</b>	Band D equivalents excluding long term empty and second homes adjustment	5.83	2,691.33	4,673.08	5,444.00	6,588.25	6,138.61	3,536.36	1,657.08	294.5	104.42	31,133.46
<b>Part E CALCULATION OF COUNCIL TAX BASE</b>												
<b>E.1</b>	Chargeable dwellings: Band D equivalents (as per C.4)											33,178.33
<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)											32,680.66
<b>E.4</b>	Class O exempt dwellings: Band D equivalents (Ministry of Defence properties)											138.90
<b>E.5</b>	<b>Council Tax Base for tax setting purposes (E.3 + E.4)</b>											<b>32,819.56</b>
<b>E.5b</b>	Discounted chargeable dwellings excluding long term empty and second homes adjustment (as per C.8)											31,133.46
<b>E.6</b>	<b>100% Council Tax Base for calculating Revenue Support Grant (E.5b + E.4)</b>											<b>31,272.36</b>