

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	THE EXECUTIVE
DATE:	1 DECEMBER 2014
SUBJECT:	THE COUNCIL TAX BASE FOR 2015/2016
PORTFOLIO HOLDER(S):	COUNCILLOR HYWEL EIFION JONES (PORTFOLIO HOLDER - FINANCE)
HEAD OF SERVICE:	RICHARD MICKLEWRIGHT (HEAD OF FUNCTION - RESOURCES)
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LOCAL MEMBERS:	NOT APPLICABLE

A - Recommendation/s and reason/s

I recommend that the Executive makes the following decisions:-

1. That the calculation by the Head of Function (Resources) for the calculation of the Council Tax Base for the whole and parts of the area for the year 2015/16 is approved (see **Appendix A**).
2. 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, the amounts calculated by Isle of Anglesey County Council as its tax base for the year 2015/16 shall be 30,188.51 and for the parts of the area listed below shall be:-

Amlwch	1,462.07
Beaumaris	1,046.72
Holyhead	3,788.07
Llangefni	1,899.07
Menai Bridge	1,408.16
Llanddanielfab	366.62
Llanddona	356.87
Cwm Cadnant	1,114.53
Llanfair Pwllgwyngyll	1,295.38
Llanfihangel Esceifiog	667.65
Bodorgan	435.73
Llangoed	624.09
Llangristiolus & Cerrigceinwen	603.80
Llanidan	400.60
Rhosyr	963.80
Penmynydd	235.34
Pentraeth	555.40
Moelfre	605.10
Llanbadrig	646.65
Llanddyfnan	489.39

Llaneilian	546.97
Llannerchymedd	500.62
Llaneugrad	181.83
Llanfair Mathafarn Eithaf	1,762.34
Cylch y Garn	395.35
Mechell	525.09
Rhosybol	457.77
Aberffraw	291.03
Bodedern	413.58
Bodffordd	414.76
Trearddur	1,215.13
Tref Alaw	241.90
Llanfachraeth	219.65
Llanfaelog	1,218.52
Llanfaethlu	281.01
Llanfair-yn-neubwll	554.48
Valley	973.58
Bryngwran	345.73
Rhoscolyn	329.73
Trewalchmai	354.40

REASONS AND BACKGROUND

The calculations have been carried out according to the Welsh Government Council Tax Dwellings (CT1) 2015/16 Notes for Guidance based on the number of properties in various bands on the valuation list as at 31 October 2014 and applying discounts and exemptions. The calculations also take account of changes to the valuation list that appear likely to occur during 2015/16. (see **Appendix A** for calculation of tax base).

The Isle of Anglesey, as billing authority is required under the regulations to calculate the Council Tax base for its area and for different parts of its area and these amounts must be notified to the precepting and levying bodies by 31 December 2014. This year, the Welsh Government had requested the information for Revenue Support Grant setting purposes by 7 November 2014.

The calculations in Appendix A are based on discounts of nil being confirmed for Classes A, B and C for 2015/16 by the full Council. The calculations are also based on the full Council confirming that the current local Council Tax Reduction Scheme will continue unchanged for 2015/16. The Welsh Government continues to meet the cost of the previous UK national scheme in full, but costs due to caseload and/or Council Tax increase will fall on local councils.

Consequently, the Band D equivalent or "relevant number" continues to be adjusted by a provision for non-collection of 1.5%. Dwellings owned by the Ministry of Defence are added to give the figures shown above.

The total proposed tax base for 2015/16 is 30,188.51. This compares with 30,070.64 in respect of 2014/15, which is an increase of 0.39%.

The main reason for this movement is the normal annual increase for expected completions and occupation of new properties, adjusted for exemptions and discounts.

FUTURE DEVELOPMENTS

With the enactment of the Housing Act (Wales) 2014 on 17 September 2014, this allows councils to raise premiums on second homes and long term empty homes of not more than 100%, if this their wish. It is likely that a Commencement Order will be made late Summer/early Autumn 2015 to allow preparatory work to introduce the premiums from 1 April 2017.

Two consultations are expected before this on the proposed exemptions to premiums on second homes and long term empty homes. It is also likely that the Council will have to determine on the premium to be raised at least a year before the financial year in which the premium is introduced, i.e. to raise a premium from April 2017 the Council must decide before 1 April 2016.

The Council Tax Base regulations will also have to be amended for local authorities to keep the additional income.

At present, second homes and long term empty homes pay the full Council Tax and when calculating the Council Tax Base are included in row B.1 of the calculation. In memoranda items the Council informs the Welsh Government the number of second homes or long term empty homes they have when calculating the Tax Base. On 31 October 2014 2,247 second homes were recorded, being equivalent to 2,401.78 Band D, with 790 long term empty homes, equivalent to 755.11 Band D.

Care must be taken when considering these figures and before the Council determines the premiums by April 2016 the figures, in good time, must be verified to ensure that they reflect the correct position. As a result, the estimation of the additional income will be robust.

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 second homes and holiday 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 property) 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.

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 the setting of a local Council Tax Reduction Scheme, however, still remain 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.

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 2015/16.

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

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	Author of report
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

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, overstating of changes likely to occur in 2015/16, underestimation of erosion in the tax base over years, e.g. banding reductions, and a too optimistic collection rate. The risk to the Council would be a shortfall in its Council Tax Requirement for the year.</p> <p>Mitigation is by taking a conservative approach when estimating new builds, allowances for erosion of the tax base and eventual collection rate.</p>
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F - Appendices:

Appendix A: Calculation of the Local Tax Base 2015/16

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

Welsh Government Council Tax Dwellings (CT1) 2015/16 Notes for Guidance

CALCULATION OF LOCAL TAX BASE 2015/16

	BAND	A*	A	B	C	D	E	F	G	H	I	TOTAL
A.	CHARGEABLE DWELLINGS											
A.1	Chargeable Dwellings		4,583	6,591	6,419	7,055	5,305	2,501	1,025	155	49	33,683
A.2	Disabled Relief		17	39	44	89	76	48	19	11	6	349
A.3	Adjusted Chargeable Dwellings (taking into account A2)	17	4,605	6,596	6,464	7,042	5,277	2,472	1,017	150	43	33,683
B.												
B.1	Dwellings No Discount	9	2,068	3,924	4,262	4,980	4,047	2,017	848	128	37	22,230
B.2	25% Discount	8	2,534	2,666	2,189	2,046	1,216	454	158	18	6	11,295
B.3	50% Discount	0	3	6	13	16	14	1	11	4	0	68
B.3a	Dwellings discounts other than 25% or 50%	0	0	0	0	0	0	0	0	0	0	0
B.4	TOTAL	17	4,605	6,596	6,464	7,042	5,277	2,472	1,017	150	43	33,683
C.												
C.2	Total Discounted Dwellings	15	3,970	5,927	5,910	6,523	4,966	2,358	972	144	42	
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 2 decimal places)	8.33	2,646.67	4,609.50	5,253.56	6,522.50	6,069.56	3,406.00	1,620.00	287.00	96.83	30,519.95
E.	CALCULATION OF COUNCIL TAX BASE											
E.1	Band 'D' Equivalents											30,519.95
E.3	Collection Rate 98.5%											30,062.15
E.4	MOD Properties (Band 'D' Equivalents)											126.36
E.5	Council Tax Base for 2015/16 Tax Setting purposes											30,188.51
E.6	Council Tax Base for Revenue Support Grant calculations											30,646.31