

Committee: **Cabinet**

Date of meeting: **7th December 2022**

Report Subject: **The Calculation of the Council Tax Base for the year 2023/24**

Portfolio Holder: **Cllr Steve Thomas – Leader / Cabinet Member
Corporate Overview and Performance**

Report Submitted by: **Rhian Hayden, Chief Officer - Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
9 th Nov 22	10 th Nov 22	22.11.22				07.12.22		

1. Purpose of the Report

1.1 To set the Council Tax Base for the financial year 2023/24.

2. Scope and Background

2.1 The Council is statutorily required to calculate the Council Tax Base for each financial year.

2.2 The Council Tax Base is a measure of the Authority's tax-raising capacity. It is expressed in terms of the number of Band D equivalent dwellings taking account of exemptions, reductions for disabilities and discounts.

2.3 The Council's Tax Base is calculated by applying the formula **A x B**, where

A is the total of the "relevant amounts" for 2023/2024 for each of the valuation bands contained in the Council's valuation list and Band A*, and

B is the Council's estimated collection rate for the year.

The "relevant amounts" for the financial year beginning on 1st April, 2023, for a valuation band, are based on the dwellings shown in the valuation list for the Authority as at 31st October, 2022, and is found by applying the formula,

$$(H-(I \times E) + J) \times \frac{E}{G}$$

Where

H Is the number of chargeable dwellings in the valuation band and Band A*;

I Is the number of estimated discounts payable in respect of such dwellings;

E Is the appropriate percentage (25% in 2023/2024);

J Is the amount of adjustments in respect of the chargeable dwellings or discounts;

F Is the proportionate number of dwellings in that band:
and

G Is the proportionate number applicable in respect of the Band D dwellings

2.4 The Council Tax Base for the current year, 2022/2023, was set at 20,876.86.

3. **Options for Recommendation**

3.1 That Cabinet approves the Council Tax base calculation for 2023/24 as detailed in Appendix 1 tables 1 to 6, and that the council tax base for tax setting purposes be 20,806.70.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The report is linked to, and instrumental in the budget strategy for the financial year 2023/24.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

5.1.1 The Council Tax base determines the Council's ability to raise revenue through Council Tax.

5.2 ***Risk including Mitigating Actions***

5.2.1 Failure to set the Council Tax base correctly can restrict the Council's ability to enforce the collection of Council Tax

5.3 ***Legal***

5.3.1 The calculation must comply with: -

- a) The Local Government Finance Act , 1992,
- b) The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations, 1995,

- c) The Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulation 2004.

5.4 ***Human Resources***

- 5.4.1 There are no direct staff implications to this report.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

- 6.1.1 The coronavirus pandemic had a significant effect on council tax collection rates across Wales, and this has now been compounded by the cost of living crisis. Section 151 officers throughout Wales along with the Welsh Government, are acutely aware of the volatility of household incomes and are monitoring collection rates. Whilst we did see a slight improvement in 2021/22, it is considered prudent to estimate the in-year collection for 2023/2024 at 95%.

6.2 ***Expected outcome for the public***

- 6.2.1 That the Council will be able to set a budget and council tax for the financial year 2023/24.

6.3 ***Involvement (consultation, engagement, participation)***

- 6.3.1 The Community Councils within the Blaenau Gwent area will be informed of their appropriate council tax base for 2023/24.

6.4 ***Thinking for the Long term (forward planning)***

- 6.4.1 The council tax base calculation is an annual calculation based on reference to the dwellings within a local authority area on the 31st October of the preceding year.

6.5 ***Preventative focus***

N/A for this report

6.6 ***Collaboration / partnership working***

- 6.6.1 Each individual local authority must calculate their relevant council tax base.

6.7 ***Integration (across service areas)***

- 6.7.1 The Revenue budget covers all service areas within the Council.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

N/A for this report

6.9 ***Integrated Impact Assessment***

N/A for this report

7. **Monitoring Arrangements**

7.1 The Revenue section will continue monitoring collection performance to inform future years calculations.

Background Documents /Electronic Links

- *Appendix 1 – Community Council and Blaenau Gwent CB Council tax base calculation 2023/24*