

Committee: **Executive Committee**
Date of meeting: **18th December 2019**
Report Subject: **The Calculation of the Council Tax Base for the year 2020/21**
Portfolio Holder: **Cllr Nigel Daniels – Leader / Executive Member Corporate Services**
Report Submitted by: **Rhian Hayden, Chief Officer - Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
x	03.12.19	04.12.19				18.12.19		

1. **Purpose of the Report**

1.1 To set the Council Tax Base for the financial year 2020/21.

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 2020/2021 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, 2020, for a valuation band, are based on the dwellings shown in the valuation list for the Authority as at 31st October, 2019, and is found by applying the formula,

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

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 2020/2021);

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's Tax Base for the current year, 2019/2020, was set at 20,187.16.

3. **Options for Recommendation**

3.1 That the Executive Committee approves the Council Tax base calculation for 2020/21 as detailed in Appendix 1 tables 1 to 6, and that the council tax base for tax setting purposes be 20,662.45.

4. **Evidence of how this topic supports the achievement of the**

4.1 **Council Priorities**

The report is linked to and instrumental in the budget strategy for the financial year 2020/21.

4.2 **Statutory Responsibilities**

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. **Implications Against Each Option**

5.1 **Financial**

Option 1

The Council Tax base determines the Councils ability to raise revenue through Council Tax.

5.2 **Risk**

Option 1

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

5.3 **Personnel**

There are no direct staff implications to this report.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

As previously reported, a review of council tax collection has been undertaken during the last 12 months resulting in some changes to collection methods. Whilst it is still at the early stages, analysis of in-year collection indicates that they are improving. I therefore consider it prudent to estimate the in-year collection for 2020/2021 to be 95%.

6.2 **Involvement**

The Community Council's within the Blaenau Gwent area will be informed of their appropriate council tax base for 2020/21.

6.3 **Thinking for the Long term**

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.

6.4 **Collaboration / partnership working**

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

7. **Monitoring Arrangements**

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