

Committee: **Executive Committee**
Date of meeting: **9th December 2020**
Report Subject: **The Calculation of the Council Tax Base for the year 2021/22**
Portfolio Holder: **Cllr Nigel Daniels – Leader / Executive Member Corporate Services**
Report Submitted by: **Rhian Hayden, Chief Officer - Resources**

Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	01.12.20	03.12.20				09.12.20		

1. **Purpose of the Report**

1.1 To set the Council Tax Base for the financial year 2021/22.

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 2021/2022 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, 2021, for a valuation band, are based on the dwellings shown in the valuation list for the Authority as at 31st October, 2020, and is found by applying the formula,

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

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 2021/2022);

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, 2020/2021, was set at 20,662.45.

3. **Options for Recommendation**

3.1 That the Executive Committee approves the Council Tax base calculation for 2021/22 as detailed in Appendix 1 tables 1 to 6, and that the council tax base for tax setting purposes be 20,794.09.

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 2021/22.

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**

A review of council tax collection was undertaken during 2019 that resulted in some changes to collection methods. Whilst in 2019/2020 there was an early indication of improving collection rates, the coronavirus pandemic has had a significant effect on current council tax collection rates across Wales, and it is anticipated that this may continue into 2021/22. I therefore consider it prudent to estimate the in-year collection for 2021/2022 to remain at 95%.

6.2 **Involvement**

The Community Council's within the Blaenau Gwent area will be informed of their appropriate council tax base for 2021/22.

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.

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12th November 2020