

Committee: **Cabinet**

Date of meeting: 4th December 2024

Report Subject: The Calculation of the Council Tax Base for the year 2025/26

Portfolio Holder: Cllr Steve Thomas - Leader

Report Submitted by: Rhian Hayden, Corporate Director of Corporate Services

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Gov & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)

1. Purpose of the Report

1.1 To set the Council Tax Base for the financial year 2025/26

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, discounts and premiums.

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 2024/2025 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, 2025, for a valuation band, are based on the dwellings shown in the valuation list for the Authority as at 31st October, 2024, and is found by applying the formula,

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

Where

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

Q Is a factor to take account of the number of estimated discounts payable in respect of such dwellings;

E Is a factor to take account of the number of premiums estimated payable in respect of such dwellings;

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, 2024/2025, was set at 20,936.36.

3. **Options for Recommendation**

3.1 That Cabinet approves the Council Tax base calculation for 2025/26 as detailed in Appendix 1 tables 1 to 6, and that the council tax base for tax setting purposes be 21,197.98.

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 2025/26.

5. **Implications Against Each Option**

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

5.1.1 The Council Tax base determines the Councils 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.
- d) The Local Authorities (Calculation of Council Tax Base) (Wales)(Amendment) Regulations 2016.

5.4 ***Human Resources***

5.4.1 There are no direct staff implications to this report.

5.5 ***Health and Safety***

5.5.1 There are no direct staff implications to this report.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

6.1.1 The last few years have seen pan-Wales collection reductions as a consequences of the pandemic and the cost of living crisis.

6.1.2 Section 151 officers throughout Wales, along with the Welsh Government, are acutely aware of the volatility of household incomes and are monitoring collection rates.

6.1.3 Blaenau Gwent Council is introducing empty property premiums for long term empty properties from the 1st April 25. Nationally, anecdotal evidence suggests that the collection of premiums does have an adverse effect on collection rates.

6.1.4 We have seen an improvement in collection rates as we have moved on from the pandemic, so regardless of the introduction of premiums, I am satisfied that the estimate for the collection rate for 2025/2026 can remain at 95.5%.

6.1.5 I will continue to review this estimate, and amend where appropriate in future years.

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 2025/26.

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

6.3.1 The Community Council's within the Blaenau Gwent area will be informed of their appropriate council tax base for 2025/26.

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***

6.5.1 N/A

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***

6.8.1 N/A

6.9 ***Integrated Impact Assessment*** *(the screening template should be completed for any decisions to identify if a full integrated impact assessment (IIA) is needed. A full IIA will need to be completed if the decision is part of the socio-economic duty to consider how the decision might help to reduce the inequalities of outcome associated with socio-economic disadvantage).*

6.91 N/A

7. **Monitoring Arrangements**

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

Background Documents /Electronic Links

- *Appendix 1 – Town & Community Council and Blaenau Gwent CB Council Tax base calculation 2025/26*