



## **Neath Port Talbot County Borough Council**

### **Cabinet**

**20<sup>th</sup> November 2019**

### **Report of the Head of Finance – Huw Jones**

#### **MATTER FOR DECISION:**

#### **CALCULATION OF COUNCIL TAX BASE FOR 2020/21**

**Wards Affected: All**

##### **Purpose of report**

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

##### **Background**

2. The Council Tax Base is an amount required by the Local Government Finance Act 1992 to be used in the calculation of Council Tax by billing authorities and major precepting authorities and in the calculation of the amount of a precept payable by each billing authority to a major precepting authority. The Base is a measure of the tax-raising capacity of an authority. It is expressed in terms of the number of Band D equivalent dwellings in an authority's area, taking into account exemptions, discounts, disablement relief, and the authority's estimate of its collection rate for Council Tax.
3. The rules for the calculation of the Council Tax Base are contained in The Local Authorities (Calculation of Tax Base) (Wales) (Amendment) Regulations 2016 which amend The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995. The amendments in the 2016 Regulations have been made as a consequence of amendments to the Local Government Finance Act 1992 by section 139 of the Housing (Wales) Act 2014. Those amendments enable billing authorities to apply a higher amount of Council Tax ("a premium") in respect of long-term empty dwellings and dwellings that are occupied periodically. It must be noted that this authority has not considered this option to date.

4. The calculation of the Council Tax Base is required to be made before 31<sup>st</sup> December. The Tax Base must also be notified to all Precepting Authorities (e.g. Police Authority) by that date. Although this is still the statutory timetable, this year the Assembly requested a provisional calculation be supplied by the 14th November 2019 in order to meet the deadline for the calculation of the distribution of Revenue Support Grant for 2020/21.

### **Calculation**

5. The gross Council Tax Base calculated for 2020/21 is 48,585.61 and using a collection rate of 97% produces a net Council Tax base of 48,098.04. This means that for next year and for every £1 levied in council tax terms will generate £48,098 to meet the Council's Budget Requirement. The detailed calculation is contained in Appendix 1.
6. Members should note that this is an increase from the 2019/20 base of 47,348.79 (calculated at 97% collection rate) by some 749 Band D equivalent dwellings. The larger than normal increase is due to the fact that members have agreed not to grant any discounts on standard long term empty properties and second homes from the 1<sup>st</sup> April 2020. These properties will be in the Council Tax base calculation at 100% rather than 50% or 75% as in previous years. This will be in line with every other Local Authority in Wales as the RSG funding for 2020/21 will be distributed on the basis of no such discounts being provided.
7. It is also necessary to calculate the Council Tax Base in respect of areas which are served by Town and Community Councils. The calculated amount after applying a collection rate of 97% are summarised in the following table:

Town and Community Council	Council Tax Base
Blaengwrach	371.78
Blaenhonddan	4,591.25
Briton Ferry	1,877.11
Clyne and Melincourt	261.36
Coedffranc	3,620.28
Crynant	676.79
Dyffryn Clydach	1,101.14
Glynneath	1,381.55

Town and Community Council	Council Tax Base
Neath	6,515.01
Onllwyn	374.93
Pelenna	403.79
Resolven	734.88
Seven Sisters	634.91
Tonna	955.85
Cilybebyll	1,953.37
Cwmllynfell	387.41
Gwauncaegurwen	1,339.52
Pontardawe	2,532.78
Ystalyfera	1,599.88

8. Further details of the calculation for each Town and Community Council area is shown in Appendix 2.

### **Financial Impact**

9. The Council must approve the Council Tax Base by 31<sup>st</sup> December of the preceding financial year. The gross tax base is used by the Welsh Government to distribute Revenue Support Grant to individual Authorities. Together with the Council Tax level it determines the quantum of Council Tax proceeds available to fund the Council's Budget and Services. This will be dealt with as part of the 2020/21 Budget Requirement and Council Tax setting reports that will be considered by Council in March 2020.

### **Integrated Impact Assessment**

10. There is no requirement to undertake an Integrated Impact Assessment.

### **Valleys Communities Impacts**

10. No implications

### **Workforce Impacts**

11. No implications.

### **Legal Impact**

12. There is a statutory requirement to agree and set the Council Tax Base for the forthcoming financial year prior to 31<sup>st</sup> December.

## **Risk Management Impacts**

13. No implications.

## **Consultation**

14. There is no requirement under the Constitution for external consultation on this item.

## **Recommendations**

15. It is recommended that members approve the 2020/21 Council Tax Base:
- Gross amount for the whole of the County Borough of 48,585.61 before applying the collection rate;
  - of 48,098.04 (after applying the 97% collection rate) for the whole of the County Borough; and
  - for each Town and Community Council area the amount shown in paragraph 7 of this report. (This represents the amount after applying the 97% collection rate.)

## **Reason for Proposed Decisions**

16. To determine the Council Tax Base for 2020/21.

## **Implementation of Decisions**

17. The decision is an urgent one for immediate implementation, subject to the consent of the relevant Scrutiny Chair (and is therefore not subject to the call-in procedure)

## **Appendices**

18. Appendix 1 - Calculation of Council Tax Base

Appendix 2 - Calculation of Council Tax Base for Community Councils

## **List of Background Papers**

- 19.** Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (SI 1995/2561)  
Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1999 (SI 1999/2935)  
Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 2004 (SI 2004/3094) (W268))  
Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 2016 (SI 2016/969) (W238))  
Local Government Finance Act 1992  
NAW Letter - Council Tax Dwellings Return (CT1) for 2020/21  
Council Tax Dwellings (CT1) Return 2020/21

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**Council Tax Base - Calculation 2020/21**

	Band A Disabled	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Band I	Total
Chargeable dwellings		12,911	26,459	11,365	7,092	4,374	1,354	505	103	22	64,185
Dwellings subject to Disability		66	333	148	112	87	23	21	20	6	816
Adjusted Chargeable Dwellings	66	13,178	26,274	11,329	7,067	4,310	1,352	504	89	16	64,185
Dwellings with no discount	49	5,310	15,746	7,589	5,133	3,532	1,148	399	66	14	38,986
Dwellings with 25% Discount	16	7,861	10,499	3,731	1,916	754	191	82	12	0	25,062
Dwellings with a 50% Discount	1	7	29	9	18	24	13	23	11	2	137
Dwellings with other than 25% or 50% Discount	0	0	0	0	0	0	0	0	0	0	0
Dwellings with empty prop or 2nd home discount	0	0	0	0	0	0	0	0	0	0	0
Dwellings with empty prop or 2nd home premium	0	0	0	0	0	0	0	0	0	0	0
Total Adjusted Chargeable	66	13,178	26,274	11,329	7,067	4,310	1,352	504	89	16	64,185
Discount and premium adjustments	0	0	0	0	0	0	0	0	0	0	0
Total variable discounts	0	0	0	0	0	0	0	0	0	0	0
Calc of chargeable dwellings with discounts and premiums											
Total discounted dwellings	61.50	11,209.25	23,634.75	10,391.75	6,579.00	4,109.50	1,297.75	472.00	80.50	15.00	57,851
Ratio to band	"5/9	"6/9	"7/9	"8/9	"9/9	"11/9	"13/9	"15/9	"18/9	"21/9	0.000
Band D equivalents	34.17	7,472.83	18,382.58	9,237.11	6,579.00	5,022.72	1,874.53	786.67	161.00	35.00	49,585.61
Band D equivalents excluding premiums	34.17	7,472.83	18,382.58	9,237.11	6,579.00	5,022.72	1,874.53	786.67	161.00	35.00	49,585.61
Collection Rate											97.00%
Council Tax Base @ 97% Band D Equivalents							Council Tax Base 2020/21				<b>48,098.04</b>

**Council Tax Base 2020/21 – Calculation for Town and Community Councils**

Community Council	Discounted Chargeable Dwellings @ 97% at 31/10/19	New Properties @ 97% (Band D Equivalent)	Total Discounted Chargeable Dwellings Adjusted @97%	Council Tax Base 2020/21
Blaengwrach	370.81	0.97	371.78	371.78
Blaenhonddan	4,587.80	3.45	4,591.25	4,591.25
Briton Ferry	1,877.11	0.00	1,877.11	1,877.11
Clyne & Melincourt	261.36	0.00	261.36	261.36
Coedffranc	3,620.28	0.00	3,620.28	3,620.28
Crynant	676.79	0.00	676.79	676.79
Dyffryn Clydach	1,101.14	0.00	1,101.14	1,101.14
Glynneath	1,381.55	0.00	1,381.55	1,381.55
Neath	6,511.77	3.24	6,515.01	6,515.01
Onllwyn	374.93	0.00	374.93	374.93
Pelenna	403.79	0.00	403.79	403.79
Resolven	734.88	0.00	734.88	734.88
Seven Sisters	633.73	1.18	634.91	634.91
Tonna	924.81	31.04	955.85	955.85
Cilybebyll	1,898.94	54.43	1,953.37	1,953.37
Cwmllynfell	387.41	0.00	387.41	387.41
Gwaun Cae Gurwen	1,339.52	0.00	1,339.52	1,339.52
Pontardawe	2,525.88	6.90	2,532.78	2,532.78
Ystalyfera	1,599.88	0.00	1,599.88	1,599.88