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**Precept calculations and budget setting within Blaenavon incorporating Community Council Tax Base Figures across Torfaen County Borough.**

County boroughs in Wales (also known as 'principal authorities') are divided into community areas for which there may be an elected community or Town council.

A community council is a body corporate consisting of the chair / mayor and the community councillors. Community councillors are elected by the local government electors for the community and hold office for a term of 5 years. The chair is elected annually by the council from among the councillors.

Community councils were established under the [**Local Government Act 1972**](http://www.legislation.gov.uk/ukpga/1972/70/contents?lang=en) (LGA 1972) and replaced the previous system of urban district councils.

The vast majority of the functions conferred on the Secretary of State under LGA 1972 are now, so far as exercisable in relation to Wales, conferred upon the Welsh Ministers. The provision in LGA 1972 relating to communities was amended significantly in relation to Wales by the [**Local Government (Wales) Act 1994**](http://www.legislation.gov.uk/ukpga/1994/19/contents?lang=en) and the [**Local Government (Wales) Measure 2011**](http://www.legislation.gov.uk/mwa/2011/4/contents?lang=en).

Each community council takes the name of the community followed by the words 'Community Council' or, in Welsh, 'Cyngor Cymuned'. A community that is not grouped with another community may resolve to have the status of a town and may be known as a 'Town Council' or 'Cyngor Tref'.

The functions of a community council are set out in LGA 1972 and in other legislation. Under the [**Local Government Act 2000**](http://www.legislation.gov.uk/ukpga/2000/22/contents?lang=en) (as amended by the Local Government (Wales) Measure 2011), community councils have power to do anything they consider is likely to achieve the promotion or improvement of the economic well-being, social well-being, or environmental well-being of their area.

The main source of funding for community councils is the funds raised through what is referred to as a precept (a charge) to council tax under section 41 of the [**Local Government Finance Act 1992**](http://www.legislation.gov.uk/ukpga/1992/14/contents?lang=en).

A community council must calculate its budget requirement for a financial year in accordance with section 50 of that Act and issue a precept to the billing authority.

A community council’s expenses are paid out of the funds received by the precept. In addition, the Welsh Ministers may, under section 129 of the Local Government (Wales) Measure 2011, pay a grant to community councils towards expenditure incurred or to be incurred by it.

In order to support the budget setting process, an understanding of precept calculations is necessary. This will underpin and offer a wide range of considerations and options to support the Council’s decision making in terms of setting the precept.

This sum is collected on behalf of the Town Council by Torfaen County Borough Council (TCBC ) as part of the Council Tax Bill.

This figure is based on the charge for a **Band ‘D’** dwelling and is in addition to the TCBC Council Tax payment.

This charge is shown on the Council Tax Bill as **Blaenavon Community Council.**

The figure shown is an annual charge. As an example, the charge for a **Band ‘D’** dwelling currently is **£94.24**. It should be noted that the precept within Blaenavon has not been increased by the Town Council for the past three years.

There are six community councils that sit within the Torfaen County Borough. Each community council receives an annual council tax base figure from TCBC which has been formally approved for their budget setting process. The figure forwarded to Blaenavon Town Council for 2022/23 is **1,963.**

This figure is then used to calculate a **Band ‘D’** council tax charge based on an approved precept within each Town or Community Council.

In relation to Blaenavon, the calculation is as follows;-

Precept / Tax base = **£185,000 / 1963 = £94.24 per year**

As alluded to above, the council tax base figure is very different for each community council.

Below is the **Band ‘D’** equivalent for all Community Councils in TCBC

|  |  |
| --- | --- |
| **Town / Community Council** | **Council Tax Base** |
| **Cwmbran** | **13,634** |
| **Pontypool** | **13,178** |
| **Blaenavon** | **1,963** |
| **Henllys** | **1,149** |
| **Croesyceiliog & Llanyrafon** | **3,480** |
| **Ponthir** | **743** |

Subsequently, this will be reflected in the calculation of the council tax charge for a **Band ‘D’** property. As a comparator, the equivalent **Band ‘D’** calculations for the following community councils are as follows;-

Cwmbran Community Council – Precept 2021/22 = **£650,905.**

Precept / Tax base = **£650,905 / 13,634 = £47.74 per year.**

Pontypool Community Council – Precept 2021/22 = **£702,452**

Precept / Tax base = **£702,452 / 13,178 = £53.30 per year**

If the precept within Blaenavon remained at its previous figure of **£130,000** the **Band ‘D’** figure would be as follows:-

Precept / Tax base = **£130,000 / 1,963 = £66.22 per year**

It can be seen that the **Band ‘D’** figure of **£66.22** would still be higher than both **Band ‘D’** figures for Cwmbran and Pontypool. What this means is that based on the above tax based figures allocated to each community council, then Blaenavon will always be elevated.

A useful guide related to a council tax charge is based on available chargeable dwellings. In terms of Blaenavon, the following tables depict this in more detail.

There are currently **2,908 chargeable** dwellings in Blaenavon. The dwelling **‘Band’** breakdown is as follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **A=1,424**  **48.97%** | **B=973**  **33.46%** | **C=225**  **7.74%** | **D=151**  **5.19%** | **E=101**  **3.47%** | **F=28**  **0.96%** | **G=4**  **0.14%** | **H=1**  **0.03%** | **I=1**  **0.03%** | **2,908** |

There are approximately **1,229** dwellings in Blaenavon or **42.3%** who are registered as **‘Discounted Dwellings’.** This is broken down as follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **% Discount** | **Band**  **A** | **Band**  **B** | **Band**  **C** | **Band**  **D** | **Band**  **E** | **Band**  **F** | **Band**  **G** | **Band**  **H** | **Band**  **I** |
| **25%** | **738** | **367** | **61** | **31** | **20** | **4** | **2** | **0** | **0** |
| **50%** | **1** | **0** | **0** | **2** | **1** | **0** | **0** | **0** | **0** |
| **Total** | **739** | **367** | **61** | **33** | **21** | **4** | **2** | **0** | **0** |

The precept breakdown based on £**185,000** for 2022/23 is as follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Precept Cost - £** | **Band A** | **Band B** | **Band C** | **Band D** | **Band E** | **Band F** | **Band G** | **Band H** | **Band I** |
| **Year** | **£64.13** | **£74.82** | **£85.28** | **£94.24** | **£117.00** | **£127.92** | **£159.64** | **£191.88** | **£223.60** |
| **Month** | **£5.34** | **£6.24** | **£7.11** | **£7.85** | **£9.75** | **£10.66** | **£13.30** | **£15.99** | **£18.63** |
| **Week** | **£1.23** | **£1.44** | **£1.64** | **£1.81** | **£2.25** | **£2.46** | **£3.07** | **£3.69** | **£4.30** |

As can be seen from the tables above the majority of dwellings in Blaenavon fall within the Band **‘A’** and ‘**B’** categories totalling **2,397**. **1,105** of these properties or **46%** receive a **25%** Council Tax discount.

As a comparison, the precept raise from **£130k** to £**185k** will increase the annual Council Tax payment on a **Band ‘D’** property from **£66.67** to **£94.24** or **£27.57.**

On a **Band ‘A’** property the annual increase will be from **£44.72** to **£64.13** or **£19.41.**

For ease of reference, this has been broken down to show the increases across all bandings to include the weekly and monthly costs.

**51%** of **Band ‘A’** properties receive a **25%** discount therefore reducing the increase to **£14.55** per year or **£1.21** / month.

On a **Band ‘B’** property the annual increase will be from **£52.17** to **£74.82** or **£22.65**.

**38%** of **Band ‘B’** properties receive a **25%** discount therefore reducing the increase to **£16.98** or **£1.41 / month**

In conclusion, each Community council will calculate their council tax charge based on the council tax base figure allocated to them by TCBC and therefore will be different based on an agreed precept.