

DP 580/03-04

Sue Essex AM

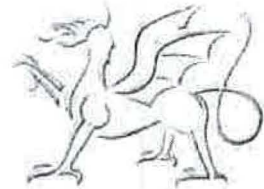
Minister for Finance, Local Government and Public Services

Y Gweinidog dros Gyllid, Llywodraeth Leol a Gwasanaethau Cyhoeddus
DEBATE ON THE APPROVAL OF THE LOCAL AUTHORITIES
(CALCULATION OF COUNCIL TAX BASE)

23 NOVEMBER 2004

Our ref: MB/SE/0544/04

Your ref:



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

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3rd December 2004

Dear Mike

**PLENARY DEBATE: CALCULATION OF COUNCIL TAX BASE REGULATIONS 23
NOVEMBER 2004**

During the debate on the 23rd November 2004 on the above Regulations I agreed to write to you about how the discounts affect council tax base and on your query about the dates in the Regulations.

The original legislation covering the calculation of the council's tax base was made on 10th March 1992. This allowed authorities to take into account in their estimates of the tax base all reductions that were likely in the following financial year, including all exemptions and discounts.

The intention was that local authorities should not lose out because of exemptions and discounts. This is because the local government finance system seeks to equalise for each authority's ability to raise funds from its own resources. This means that the less capacity an authority has to raise council tax, the more it receives in central support from the Assembly to compensate.

With regard to your question on the timing of the period for calculating an authority's taxbase, the 1995 Regulations had a calculation period of 1st November to 31st December. The timing of the introduction of these regulations suggested it appropriate to set the calculation period from the date of coming into force 24th November to 31st January. The regulations state that after this year, the timing will revert to that in earlier regulations, namely 1st November to 31st December.

I hope this adequately addresses the points you raised.

Sue Essex



BUDDSODWR Mewn Pobl
INVESTOR IN PEOPLE