

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

16th December 2013

REPORT OF: GROUP DIRECTOR CORPORATE SERVICES

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COUNCIL TAX BASE – 2014/15

1. PURPOSE OF THE REPORT

This report is intended to:-

Formally set the Council Tax Base for the financial year ending 31st March 2015, in accordance with the requirements of the Local Government Finance Act 1992 (as amended) and reaffirm the level of discount applicable to the properties falling under the Council Tax (Prescribed Class of Dwelling) (Wales) Regulation 1998, as amended (relating to second homes and long-term unoccupied and unfurnished properties).

2. RECOMMENDATIONS

2.1 It is recommended that: -

- a) In accordance with the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, the amount calculated by the Council as its net tax base for the financial year ended 31st March 2015, shall be £72,557.42.
- b) That for each area of the County Borough, the 2014/15 tax base for Council Tax setting purposes, shall be that shown at Appendix 1.
- c) To set the level of discount at: -
 - 0% - for those properties falling within Class A and Class B of the Prescribed Classes of Dwellings Order
 - 50% - for those properties falling within Class C of the Prescribed Classes of Dwellings Order.

3. 2014/15 COUNCIL TAX BASE

- 3.1 Under the provisions of The Local Authority (Alternative Arrangements) (Amendment) (Wales) Regulations 2004 and The Local Authorities Executive Arrangements (Functions and Responsibilities) (Amendment) (Wales) Regulations 2004, the “calculation and determination of the council tax base” are specified as functions that may be the responsibility of the Executive. At the Council meeting on 7th December 2005, it was agreed that the responsibility for setting the tax base be discharged by the Cabinet.
- 3.2 Under the provisions of the Local Government Finance Act 1992, as amended by the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 and the Council Tax (Prescribed Class of Dwellings) (Wales) (Amendment) Regulations 2004, the Council is required to determine its Council Tax Base for the following financial year, prior to 31st December each year.
- 3.3 The Council Tax Base is the measure of the relative taxable capacity of different areas within the County Borough and is calculated in accordance with prescribed rules. The Tax Base is in effect the number of chargeable dwellings in the area expressed as Band D equivalents, after taking into account the total number of reductions in council tax for exemptions, disabled person reductions and discounts; with the final figure adjusted by taking account of the Council’s estimated collection rate.
- 3.4 In determining the Council Tax Base for 2014/15, a collection rate of 96.5% has been estimated (the same rate used for 2013/14). This produces a Council Tax Base of £72,557.42. The net result is that for every £1 levied in Council Tax next year, a sum of £72,557 will be generated to meet the budget requirement of the County Borough Council.
- 3.5 The Council Tax base calculation is supplied to Welsh Government and is used for the distribution of Revenue Support Grant in the annual Provisional and Final Local Authority Revenue Settlement. It is also used by the Council when it sets its annual budget i.e. the annual net budget requirement is divided by the Council Tax Base to produce the amount of Council Tax due for a dwelling in Band D. A set formula is then used to determine the liability for the remaining eight Council Bands (A to C and E to I).
- 3.6 The Council is required not only to calculate the Tax Base for the County Borough as a whole, but must also make separate calculations for areas that have their own Community Council. The 2014/15 Council Tax Base analysis is shown at Appendix 1.

4. COUNCIL TAX - PRESCRIBED CLASS OF DWELLING

4.1 In the case of a dwelling described in the Council Tax (Prescribed Class of Dwelling) (Wales) Regulation 1998 ('the Regulations'), as amended by Section 12(4) of the Council Tax (Prescribed Class of Dwelling) (Wales) (Amendment) Regulation 2004, the Council has discretion to award up to 50% discount in respect of the following prescribed classes of dwellings (usually described as second homes and holiday homes), i.e. Class A and Class B of the Regulations.

Class A

- (a) *which is not the sole or main residence of an individual;*
- (b) *which is furnished; and*
- (c) *the occupation of which is prohibited by law for a continuous period of at least 28 days in relevant year.*

Class B

- (a) *which is not the sole or main residence of an individual;*
- (b) *which is furnished; and*
- (c) *the occupation of which is not prohibited by law for a continuous period of at least 28 days in the relevant year.*

4.2 The Council also has discretion to grant up to 50% discount on unoccupied and substantially unfurnished chargeable dwellings beyond the statutory 6 month exempt period i.e. Class C.

4.3 In the recent past, the Council has determined:-

- a) not to allow a discount (i.e. 0%) in respect of properties falling within Class A and Class B in paragraph 4.1 above, and
- b) to allow a discount of 50% in respect of properties within Class C in paragraph 4.2 above, on the expiry of the 6 month statutory exemption period.

4.4 It is recommended that these existing arrangements continue for 2014/15.

Appendix 1

2014/2015 Tax Base Analysis			
Area		Gross Band D Equivalents	Adjusted Tax Base (assumed collection rate of 96.5%)
Non Precepting Communities			
Rhondda Community Areas	Treherbert	1,594.11	1,538.32
	Treorchy	2,294.22	2,213.92
	Pentre	1,545.08	1,491.01
	Ystrad	1,653.61	1,595.73
	Llywnypia	614.03	592.54
	Cwm Clydach	773.53	746.45
	Tonypandy	1,096.00	1,057.64
	Trealaw	1,149.28	1,109.05
	Penygraig	1,622.78	1,565.98
	Cymmer	1,569.33	1,514.41
	Porth	1,796.25	1,733.38
	Ynyshir	931.67	899.06
	Tylorstown	1,251.89	1,208.07
	Ferndale	1,186.58	1,145.05
	Maerdy	848.22	818.53
Cynon Valley Community Areas	Penywaun	778.56	751.31
	Llwydcoed	534.06	515.37
	Aberdare	4,778.69	4,611.44
	Cwmbach	1,652.56	1,594.72
	Aberaman	2,819.94	2,721.25
	Abercynon	1,895.14	1,828.81
	Mountain Ash	2,182.08	2,105.71
	Penrhiwceiber	1,559.25	1,504.68
Local Precepting Communities			
Cynon Valley Community Areas	Ynysybwl	1,415.17	1,365.64
	Rhigos	271.44	261.94
	Hirwaun	1,622.42	1,565.63
Taff Ely Community Areas	Pontypridd	10,000.61	9,650.59
	Llantwit Fardre	6,094.56	5,881.25
	Taffs Well	1,422.00	1,372.23
	Pontyclun	3,578.08	3,452.85
	Llantrisant	5,591.75	5,396.04
	Tonyrefail	3,776.72	3,644.54
	Gilfach Goch	1,009.39	974.06
	Llanharan	2,822.72	2,723.93
	Llanharry	1,457.31	1,406.30
Grand Total		75,189.04	72,557.42

