

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2015/16

COMMITTEE:
COUNCIL
10th March 2016

Item No. 6

**COUNCIL TAX RESOLUTION
FOR THE YEAR ENDING 31st
MARCH, 2017**

REPORT OF:
Group Director Corporate & Frontline Services
Author: Mr. Chris Lee
Tel: (01443) 424026

1.0 PURPOSE OF THE REPORT

1.1 The report provides Members with details of the calculation of the Authority's Council Tax for the financial year ending 31st March 2017 prior to passing the necessary statutory resolutions.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members:

- i) Note the final Local Government Settlement as published on the 2nd March 2016 in Appendix 1 and its implications for this Council as set out in para 3.4;
- ii) Note the level of the precept from the Police & Crime Commissioner for South Wales;
- iii) Note the level of the Community Council Precepts, as detailed in Appendix 2;
- iv) Pass the formal Council Tax resolutions for the financial year ending 31st March 2017, as contained in Appendix 3;
- v) Note my comments upon robustness of the estimates and the adequacy of the proposed financial reserves as detailed at paragraph 9.2.

3.0 BACKGROUND.

- 3.1 At the Cabinet meeting held on 15th December 2015, Members confirmed the Council Tax Base for 2016/17 as £74,301.87. This means that each £1 of Council Tax levied on dwellings within the County Borough in 2016/17 would yield an estimated Council Tax income to the Authority of £74,301.
- 3.2 At the Council meeting on 24th February 2016, the total budget for the financial year ending 31st March 2017, as £454.831M.
- 3.3 As members will be aware the budget was set on the basis of the provisional settlement from Welsh Government with the final settlement not being announced until 2nd March 2016. It was agreed that any changes to Welsh Government funding levels in the Final Settlement were to be dealt with by means of adjustment to the level of the use of Transitional Funding.
- 3.4 I can report to Members that the Final Settlement did not change from the Updated Provisional Settlement level and accordingly there has been no need to amend the use of Transitional Funding as referenced above. The key data table from the Final Settlement is attached at Appendix 1.

4.0 NON-DOMESTIC RATES

- 4.1 On 21st January 2016, the Welsh Government set the Non Domestic Rate multiplier (rate in the pound) for 2016/17 at 48.6p (from 48.2p in the current year) an increase of 0.82%.

5.0 GOVERNMENT GRANTS

- 5.1 The Authority will receive the following grants from the Welsh Government in 2016/17:

Table 1

Type of Grant	£M
Revenue Support Grant (R.S.G)	283.324
Non Domestic Rate Grant (N.D.R)	70.451
Total	353.775

6.0 POLICE & CRIME COMMISSIONER FOR SOUTH WALES - PRECEPT

- 6.1 The Police & Crime Commissioner for South Wales notified the Council on 9th February 2016 that the precept for the financial year ending 31st March 2017 will rise by 5.42% to £15,443,763 which equates to a Council Tax on a Band D property of £207.85, an increase of 4.0%.

7.0 COMMUNITY COUNCIL - PRECEPTS

7.1 Attached at Appendix 2 are details of the precepts levied by the twelve Community Councils within the Rhondda Cynon Taf area. The precepts for the services rendered by the Community Councils are also expressed as Band D equivalents.

8.0 COUNCIL TAX LEVELS FOR 2016/17

8.1 The net sum of money that the Council needs to raise from local Council Taxpayers is shown in Table 2 below:

Table 2**2016/17 Net Budget Requirement**

	Budget	Band D Equivalent
	£.M	£. p
2016/17 Net Revenue Spending	454.831	
Less: Revenue Support Grant	(283.324)	
Less: Non Domestic Rate Grant	(70.451)	
Sub-Total	101.056	
Less: Release of Earmarked Reserves	(2.147)	
Council's Requirement from Taxpayers	98.909	1,331.17
Add: Police & Crime Commissioner for South Wales Precept	15.443	207.85
2016/17 Council Tax	114.352	1,539.02

8.2 The County Borough Council's agreed revenue budget for the financial year ending 31st March 2017 will result in a Council Tax increase of 2.75% (excluding Community Council precepts).

8.3 However, the 4.0% Band D increase agreed by the Police & Crime Commissioner for South Wales will have the effect of raising the composite Band D Council Tax by 2.92% (excluding Community Council precepts).

8.4 The figures in Table 2 above exclude Community Council Precepts. Those taxpayers living in areas where a Community Council Precept is payable will, therefore, have to pay an additional amount. The Band D figures for Community Councils are shown in Appendix 2.

9.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES HELD

9.1 Under the Local Government Act 2003 (Commencement) (Wales) Order 2003, as Responsible Finance Officer (per Section 151 of the Local Government Act 1972), I have a duty to report to the Council on:

- (a) The robustness of the estimates made for the purposes of the calculations;
and
- (b) The adequacy of the proposed financial reserves

9.2 My view upon the above matters is:

(a) Robustness of Estimates

I am satisfied that the detailed calculations which underpin the agreed budget have been undertaken in a consistent and robust manner and reflect actual budgetary requirements across the Council at this point in time. As part of the budget process, efficiency savings have been identified, as have a number of Cabinet decisions that allow us to match service requirements against available resources.

(b) Adequacy of Financial Reserves

For 2016/17, the minimum level of General Fund Balances has been maintained at £10M. I consider this necessary given the continuing financial pressures the Council is working under and the overall quantum of our budget (for 2016/17 set at £454.831M net). Whilst this reflects the view we have held for some years, this minimum level is set in the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.

The figure is, of necessity, not based upon any defined formula, but is a judgement by myself, as the Responsible Finance Officer.

The agreed budget for 2016/17 and proposed Council Tax increase does not compromise the current level of General Fund Balances and they are projected to remain at, or above, the minimum level of £10M through to the 31st March 2017.

10.0 CONCLUSION

10.1 Having previously agreed the revenue budget for 2016/17 on 24th February 2016 at £454.831M, and having received the final Local Government Settlement, Council is now in a position to pass the formal resolution required by statute to set the respective levels of its Council Tax for the financial year ending 31st March 2017.

WELSH LOCAL GOVERNMENT SETTLEMENT 2016-17**Final****Table 1a: Change in Aggregate External Finance (AEF), adjusted for transfers, by Unitary Authority**

<i>£000s</i>				
Unitary authority	2015-16 final AEF*	2016-17 final AEF plus top-up	% change	Rank
Isle of Anglesey	93,841	91,928	-2.0%	17
Gwynedd	169,847	166,951	-1.7%	15
Conwy	152,740	149,421	-2.2%	18
Denbighshire	141,294	139,608	-1.2%	10
Flintshire	187,535	184,750	-1.5%	12
Wrexham	172,036	169,768	-1.3%	11
Powys	175,692	170,421	-3.0%	21
Ceredigion	100,010	97,010	-3.0%	20
Pembrokeshire	161,375	156,894	-2.8%	19
Carmarthenshire	254,306	251,686	-1.0%	8
Swansea	310,525	307,767	-0.9%	5
Neath Port Talbot	206,637	205,575	-0.5%	2
Bridgend	189,561	187,515	-1.1%	9
The Vale Of Glamorgan	153,530	150,448	-2.0%	16
Rhondda Cynon Taf	357,009	353,775	-0.9%	6
Merthyr Tydfil	89,848	89,189	-0.7%	4
Caerphilly	265,723	263,301	-0.9%	7
Blaenau Gwent	110,959	109,252	-1.5%	13
Torfaen	131,538	129,299	-1.7%	14
Monmouthshire	94,379	91,548	-3.0%	22
Newport	210,565	209,142	-0.7%	3
Cardiff	426,860	426,303	-0.1%	1
Total Unitary Authorities	4,155,809	4,101,551	-1.3%	

* The published AEF for 2015-16 is subject to a number of adjustments set out in Table 8

Appendix 1

Community Council Precepts - 2016/17

Community	Precept for 2016/17	Precept Variance over 2015/16	2016/17 Band D Equivalent
	(£.p)	(%)	(£.p)
Gilfach Goch	£45,000.00	0.0%	£45.8197
Hirwaun	£57,200.00	0.0%	£36.0774
Llanharan	£147,538.56	1.5%	£52.0000
Llanharry	£82,128.00	1.2%	£54.9999
Llantrisant	£209,844.00	2.2%	£37.9999
Llantwit Fardre	£228,960.26	2.5%	£38.0000
Pontyclun	£111,000.00	0.0%	£32.1151
Pontypridd	£604,860.00	3.1%	£60.6461
Rhigos	£13,500.00	0.0%	£49.9150
Taffs Well	£34,000.00	9.7%	£24.3462
Tonyrefail	£204,126.47	5.0%	£54.5000
Ynysybwl & Coed y Cwm	£38,038.41	25.0%	£27.6352
Grand Total	£1,776,195.70		

Appendix 2

It is recommended that Members:

1. Confirm, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (as amended) made under Section 33(5) of the Local Government Finance Act 1992 (as amended), the following amounts for the year 2016/17:

(a) £74,301.87 being the amount calculated by the Council as the Council Tax Base for the year;

(b) Parts of the Council's area

Community Area	Tax Base
Gilfach Goch	£982.11
Hirwaun	£1,585.48
Llanharan	£2,837.28
Llanharry	£1,493.24
Llantrisant	£5,522.23
Llantwit Fardre	£6,025.27
Pontyclun	£3,456.32
Pontypridd	£9,973.60
Rhigos	£270.46
Taffs Well	£1,396.52
Tonyrefail	£3,745.35
Ynysybwl & Coed y Cwm	£1,376.45

being the amounts calculated by the Council in accordance with Regulation 6 of the Regulations, as the amounts of it's Council Tax Base for the year for dwellings in those parts of the area to which special items relate;

Appendix 3

2. Agree that the following amounts be now calculated by the Council for the year 2016/17 in accordance with Section 32 to 36 of the Local Government and Finance Act, 1992:
- (a) **£690,031,304.6647** ~ being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act;
 - (b) **£235,971,082.3267** ~ being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act;
 - (c) **£454,060,222.3380** ~ being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
 - (d) **£353,375,383.0000** ~ being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of Revenue Support Grant and redistributed National Non-Domestic Rates (less discretionary Non Domestic Rate relief);
 - (e) **£1,355.0781** ~ being the amount at 2(c) above less the amount at 2(d) above, all divided by amount at 1(a) above calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;
 - (f) **£1,776,195.7000**~ being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - (g) **£1,331.1730** ~ being the amount at 2(e) above less the result given by dividing the amount at 2(f) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of it's Council Tax for the year for dwellings in those parts of its area to which no special item relates;

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(h) Parts of the Council's Area:

Community Area	Band D £. p
Gilfach Goch	£45.8197
Hirwaun	£36.0774
Llanharan	£52.0000
Llanharry	£54.9999
Llantrisant	£37.9999
Llantwit Fardre	£38.0000
Pontyclun	£32.1151
Pontypridd	£60.6461
Rhigos	£49.9150
Taffs Well	£24.3462
Tonyrefail	£54.5000
Ynysybwl & Coed y Cwm	£27.6352

being the amounts given by adding to the amount at 2(g) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate;

Appendix 3

(i) Parts of the Council's Area

being the amounts given by multiplying the amounts at 2(g) and 2(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands, as set out below:

Local Precepting Authority	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Band I
	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)
Gilfach Goch	917.9987	1,070.9943	1,223.9935	1,376.9927	1,682.9911	1,988.9894	2,294.9879	2,753.9854	3,212.9829
Hirwaun	911.5003	1,063.4170	1,215.3337	1,367.2504	1,671.0838	1,974.9172	2,278.7507	2,734.5008	3,190.2509
Llanharan	922.1187	1,075.8012	1,229.4871	1,383.1730	1,690.5448	1,997.9165	2,305.2884	2,766.3460	3,227.4036
Llanharry	924.1187	1,078.1345	1,232.1537	1,386.1729	1,694.2113	2,002.2497	2,310.2882	2,772.3458	3,234.4034
Llantrisant	912.7820	1,064.9168	1,217.0426	1,369.1729	1,673.4335	1,977.6954	2,281.9549	2,738.3458	3,194.7403
Llantwit Fardre	912.7820	1,064.9168	1,217.0427	1,369.1730	1,673.4336	1,977.6954	2,281.9550	2,738.3460	3,194.7403
Pontyclun	908.8588	1,060.3352	1,211.8117	1,363.2881	1,666.2410	1,969.1954	2,272.1469	2,726.5762	3,181.0103
Pontypridd	927.8794	1,082.5260	1,237.1725	1,391.8191	1,701.1122	2,010.4053	2,319.6985	2,783.6382	3,247.5779
Rhigos	920.7287	1,074.1796	1,227.6338	1,381.0880	1,687.9964	1,994.9054	2,301.8134	2,762.1760	3,222.5386
Taffs Well	903.6795	1,054.2927	1,204.9060	1,355.5192	1,656.7457	1,957.9754	2,259.1987	2,711.0384	3,162.8781
Tonyrefail	923.7820	1,077.7457	1,231.7093	1,385.6730	1,693.6003	2,001.5276	2,309.4650	2,771.3460	3,233.2470
Ynysybwl & Coed-y-Cwm	905.8822	1,056.8608	1,207.8295	1,358.8082	1,660.7656	1,962.7254	2,264.6904	2,717.6264	3,170.5624
All Other Parts of Rhondda Cynon Taf	887.4487	1,035.3568	1,183.2649	1,331.1730	1,626.9892	1,922.8054	2,218.6217	2,662.3460	3,106.0703

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3. Note that for the year 2016/17 the Police & Crime Commissioner for South Wales has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Act 1992, for each of the categories of dwellings shown below:

Major Precepting Authority	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Band I
	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)
South Wales Police & Crime Commissioner	138.5677	161.6624	184.7570	207.8516	254.0408	300.2301	346.4193	415.7032	484.9871

4. Agree that having calculated the aggregate in each case of the amounts at 2(i) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below:

Total Council Tax Demand	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Band I
	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)	(£.p)
Gilfach Goch	1,056.57	1,232.66	1,408.75	1,584.84	1,937.03	2,289.22	2,641.41	3,169.69	3,697.97
Hirwaun	1,050.07	1,225.08	1,400.09	1,575.10	1,925.12	2,275.15	2,625.17	3,150.20	3,675.24
Llanharan	1,060.69	1,237.46	1,414.24	1,591.02	1,944.59	2,298.15	2,651.71	3,182.05	3,712.39
Llanharry	1,062.69	1,239.80	1,416.91	1,594.02	1,948.25	2,302.48	2,656.71	3,188.05	3,719.39
Llantrisant	1,051.35	1,226.58	1,401.80	1,577.02	1,927.47	2,277.93	2,628.37	3,154.05	3,679.73
Llantwit Fardre	1,051.35	1,226.58	1,401.80	1,577.02	1,927.47	2,277.93	2,628.37	3,154.05	3,679.73
Pontyclun	1,047.43	1,222.00	1,396.57	1,571.14	1,920.28	2,269.43	2,618.57	3,142.28	3,666.00
Pontypridd	1,066.45	1,244.19	1,421.93	1,599.67	1,955.15	2,310.64	2,666.12	3,199.34	3,732.57
Rhigos	1,059.30	1,235.84	1,412.39	1,588.94	1,942.04	2,295.14	2,648.23	3,177.88	3,707.53
Taffs Well	1,042.25	1,215.96	1,389.66	1,563.37	1,910.79	2,258.21	2,605.62	3,126.74	3,647.87
Tonyrefail	1,062.35	1,239.41	1,416.47	1,593.52	1,947.64	2,301.76	2,655.88	3,187.05	3,718.23
Ynysybwl & Coed-y-Cwm	1,044.45	1,218.52	1,392.59	1,566.66	1,914.81	2,262.96	2,611.11	3,133.33	3,655.55
All Other Parts of Rhondda Cynon Taf	1,026.02	1,197.02	1,368.02	1,539.02	1,881.03	2,223.04	2,565.04	3,078.05	3,591.06

Appendix 3