

**AGENDA ITEM 9****RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****16<sup>th</sup> December 2014****COUNCIL TAX BASE – 2015/16****REPORT OF: GROUP DIRECTOR CORPORATE & FRONTLINE SERVICES****Author: Mr. Nick Jones (Service Director – Operational Finance)****Tel: (01443) 680655****1. PURPOSE OF THE REPORT**

- 1.1 This report is intended to formally set the Council Tax Base for the financial year ending 31<sup>st</sup> March 2016, 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 31<sup>st</sup> March 2016, shall be £73,297.81.
- b) That for each area of the County Borough, the 2015/16 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. 2015/16 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 7<sup>th</sup> 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 31<sup>st</sup> 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, taking into account the total number of exemptions, disablement reductions and discounts, with the final gross Tax Base figure adjusted by taking account of the council's estimated collection rate.
- 3.4 The gross Council Tax base calculated for 2015/16 is £75,564.75 and in determining the net Council Tax Base for 2015-16, a collection rate of 97.0% has been estimated. This produces a net Council Tax Base of £73,297.81. The result is that for every £1 levied in Council Tax next year, a sum of £73,298, will be generated to meet the budget requirement of the Council.
- 3.5 The Council Tax base calculation is supplied to WG 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 net annual 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 Borough as a whole, but must also make separate calculations for areas that have their own Community Council. The 2015-16 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, 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 two following prescribed classes of dwellings (usually described as second homes and holiday homes), i.e. Class A and Class B.

##### 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 not to allow a discount (i.e. 0%) in respect of properties falling within Class A and Class B in paragraph 4.1 above. In respect of Class C, properties within this Class currently attract 50% discount on the expiry of the 6 month statutory exemption period.
- 4.4 It is recommended that the existing arrangements continue for 2015/16.

\*\*\*



## Appendix 1

2015/2016 Tax Base Analysis			
Area	Gross Band D Equivalents	Adjusted Tax Base (assumed collection rate of 97.0%)	
<b>Non Precepting Communities</b>			
<b>Rhondda Community Areas</b>	Treherbert	1,602.46	1,554.38
	Treorchy	2,300.87	2,231.84
	Pentre	1,560.82	1,513.99
	Ystrad	1,646.54	1,597.14
	Llywnypia	621.24	602.61
	Cwm Clydach	782.91	759.43
	Tonypanyd	1,094.21	1,061.38
	Trealaw	1,153.15	1,118.55
	Penygraig	1,629.36	1,580.48
	Cymmer	1,584.74	1,537.20
	Porth	1,775.05	1,721.80
	Ynyshir	944.68	916.34
	Tylorstown	1,261.12	1,223.29
	Ferndale	1,194.41	1,158.58
	Maerdy	843.41	818.11
<b>Cynon Valley Community Areas</b>	Penywaun	782.77	759.29
	Llwydcoed	556.07	539.39
	Aberdare	4,777.58	4,634.24
	Cwmbach	1,672.54	1,622.37
	Aberaman	2,833.63	2,748.62
	Abercynon	1,914.16	1,856.73
	Mountain Ash	2,198.68	2,132.72
	Penrhiwceiber	1,581.30	1,533.87
<b>Precepting Communities</b>			
<b>Cynon Valley Community Areas</b>	Ynysybwl	1,412.50	1,370.13
	Rhigos	267.71	259.68
	Hirwaun	1,629.09	1,580.22
<b>Taff Ely Community Areas</b>	Pontypridd	10,105.64	9,802.47
	Llantwit Fardre	6,059.33	5,877.55
	Taffs Well	1,417.70	1,375.17
	Pontyclun	3,565.68	3,458.71
	Llantrisant	5,572.02	5,404.86
	Tonyrefail	3,807.76	3,693.53
	Gilfach Goch	1,013.59	983.18
	Llanharan	2,880.85	2,794.42
	Llanharry	1,521.18	1,475.54
<b>Grand Total</b>	<b>75,564.75</b>	<b>73,297.81</b>	