

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2017/18

COMMITTEE:
COUNCIL
28th February 2018

Part: 1	Item No. 11
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COUNCIL TAX RESOLUTION FOR THE YEAR ENDING 31st MARCH, 2019

REPORT OF:
Group Director Corporate & Frontline Services
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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 2019 prior to passing the necessary statutory resolutions.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members:

- i) Note the level of the precept from the Police & Crime Commissioner for South Wales;
- ii) Note the level of the Community Council Precepts, as detailed in Appendix 1;
- iii) Pass the formal Council Tax resolutions for the financial year ending 31st March 2019, as contained in Appendix 2;
- iv) 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 19th December 2017, Members confirmed the Council Tax Base for 2018/19 as £75,668.01. This means that each £1 of Council Tax levied on dwellings within the County Borough in 2018/19 would yield an estimated Council Tax income to the Authority of £75,668.

3.2 Earlier in today's meeting Council was asked to agree the total budget for the financial year ending 31st March 2019, at £471.600M (net), the result of that earlier decision will be reported by the Council's Section 151 Officer.

4.0 **NON-DOMESTIC RATES**

4.1 On 18th December 2017, the Welsh Government set the Non Domestic Rate multiplier (rate in the pound) for 2018/19 at 51.4p (from 49.9p in the current year) an increase of 3.0%. For 2018/19, Welsh Government has changed the basis of the calculation of the multiplier so it is equivalent to the CPI (Consumer Price Index) rate of inflation, rather than RPI (Retail Price Index).

5.0 **GOVERNMENT GRANTS**

5.1 The Council will receive the following grants from the Welsh Government in 2018/19:

Table 1

Type of Grant	£M
Revenue Support Grant (R.S.G)	288.556
Non Domestic Rate Grant (N.D.R)	75.620
Total	364.176

6.0 **POLICE & CRIME COMMISSIONER FOR SOUTH WALES - PRECEPT**

6.1 The Police & Crime Commissioner for South Wales notified the Council on 6th February 2018 that the precept for the financial year ending 31st March 2019 will rise by **7.98%** to £17,670,092 which equates to a Council Tax on a Band D property of £233.52, an increase of 7.0%.

7.0 **COMMUNITY COUNCIL - PRECEPTS**

7.1 Attached at Appendix 1 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 2018/19

- 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**2018/19 Net Budget Requirement**

	Budget	Band D Equivalent
	£M	£. p
2018/19 Net Revenue Spending	471.600	
Less: Revenue Support Grant	288.556	
Less: Non Domestic Rate Grant	75.620	
Sub-Total	107.424	
Less: Release of Earmarked Reserves	1.022	
Council's Requirement from Taxpayers	106.402	1,406.16
Add: Police & Crime Commissioner for South Wales Precept	17.670	233.52
2018/19 Council Tax	124.072	1,639.68

- 8.2 If agreed at the Council meeting earlier today, the County Borough Council's revenue budget for the financial year ending 31st March 2019 will result in a Council Tax increase of 3.30% (excluding Community Council precepts).
- 8.3 However, the 7.0% 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 3.82% (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 1.
- 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:
- The robustness of the estimates made for the purposes of the calculations; and
 - 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 2018/19, 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 2018/19 set at £471.600M 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 2018/19 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 2019.

10.0 CONCLUSION

10.1 Should the Council agree the net revenue budget at £471.600M for 2018/19, it 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 2019.

Community Council Precepts - 2018/19

Community Area	2018/19 Precept	Band D	Precept Variance to Previous Year
Gilfach Goch	£40,000.00	£39.9864	-20.0%
Hirwaun	£57,200.00	£35.5900	0.0%
Llanharan	£184,356.81	£61.5600	14.6%
Llanharry	£103,012.80	£66.0000	12.5%
Llantrisant	£212,359.20	£40.0000	-0.5%
Llantwit Fardre	£253,195.05	£38.7600	8.8%
Pontyclun	£113,410.00	£32.5760	2.2%
Pontypridd	£676,147.00	£66.0100	10.6%
Rhigos	£14,500.00	£53.0100	3.6%
Taffs Well	£36,283.57	£25.8900	2.2%
Tonyrefail	£225,049.43	£58.4388	5.0%
Ynysybwl & Coed-y-Cwm	£40,164.42	£28.4800	10.0%
Total	£1,955,678.28		

Appendix 1

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 2018/19:

(a) £75,668.01 being the amount calculated by the Council as the Council Tax Base for the year;

(b) Parts of the Council's area

Community Area	2018/19 Tax Base
Gilfach Goch	£1,000.34
Hirwaun	£1,607.04
Llanharan	£2,994.75
Llanharry	£1,560.80
Llantrisant	£5,308.98
Llantwit Fardre	£6,532.38
Pontyclun	£3,481.40
Pontypridd	£10,243.02
Rhigos	£273.52
Taffs Well	£1,401.37
Tonyrefail	£3,851.03
Ynysybwl & Coed-y-Cwm	£1,410.08

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

Appendix 2

2. Agree that the following amounts be now calculated by the Council for the year 2018/19 in accordance with Section 32 to 36 of the Local Government and Finance Act, 1992:
- (a) **£701,720,686.5600** ~ 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) **£229,587,231.2800** ~ 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) **£472,133,455.2800** ~ 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) **£363,776,172.0000** ~ 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) **£1,432.0092** ~ 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) **£1,955,678.2800** ~ being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - (g) **£1,406.1636** ~ 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;

Appendix 2

(h) Parts of the Council's Area:

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;

Community Area	Band D £ .p
Gilfach Goch	£39.9864
Hirwaun	£35.5900
Llanharan	£61.5600
Llanharry	£66.0000
Llantrisant	£40.0000
Llantwit Fardre	£38.7600
Pontyclun	£32.5760
Pontypridd	£66.0100
Rhigos	£53.0100
Taffs Well	£25.8900
Tonyrefail	£58.4388
Ynysybwl & Coed-y-Cwm	£28.4800

Appendix 2

(i) Parts of the Council's Area

Local Precepting Authority	Band A (£.p)	Band B (£.p)	Band C (£.p)	Band D (£.p)	Band E (£.p)	Band F (£.p)	Band G (£.p)	Band H (£.p)	Band I (£.p)
Gilfach Goch	964.1000	1,124.7833	1,285.4635	1,446.1500	1,767.5123	2,088.8881	2,410.2600	2,892.3100	3,374.3600
Hirwaun	961.1691	1,121.3639	1,281.5556	1,441.7536	1,762.1389	2,082.5378	2,402.9260	2,883.5072	3,364.0917
Llanharan	978.4824	1,141.5628	1,304.6400	1,467.7236	1,793.8800	2,120.0500	2,446.2060	2,935.4472	3,424.6884
Llanharry	981.4424	1,145.0161	1,308.5867	1,472.1636	1,799.3067	2,126.4633	2,453.6060	2,944.3272	3,435.0484
Llantrisant	964.1091	1,124.7939	1,285.4756	1,446.1636	1,767.5289	2,088.9078	2,410.2760	2,892.3272	3,374.3817
Llantwit Fardre	963.2824	1,123.8295	1,284.3633	1,444.9236	1,766.0100	2,087.1167	2,408.2060	2,889.8472	3,371.4884
Pontyclun	959.1597	1,119.0197	1,278.8764	1,438.7396	1,758.4551	2,078.1942	2,397.9093	2,877.4892	3,357.0691
Pontypridd	981.4491	1,145.0239	1,308.5956	1,472.1736	1,799.3189	2,126.4778	2,453.6260	2,944.3472	3,435.0717
Rhigos	972.7824	1,134.9128	1,297.0400	1,459.1736	1,783.4300	2,107.7000	2,431.9560	2,918.3472	3,404.7384
Taffs Well	954.7024	1,113.8195	1,272.9233	1,432.0536	1,750.2800	2,068.5267	2,386.7560	2,864.1072	3,341.4584
Tonyrefail	976.4016	1,139.1352	1,301.8656	1,464.6024	1,790.0652	2,115.5416	2,441.0040	2,929.2048	3,417.4056
Ynysybwl & Coed-y-Cwm	956.4291	1,115.8339	1,275.2356	1,434.6436	1,753.4489	2,072.2678	2,391.0760	2,869.2872	3,347.5017
All Other Parts of Rhondda Cynon Taf	937.4424	1,093.6828	1,249.9200	1,406.1636	1,718.6400	2,031.1300	2,343.6060	2,812.3272	3,281.0484

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:

Appendix 2

3. Note that for the year 2018/19, 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 (£.p)	Band B (£.p)	Band C (£.p)	Band D (£.p)	Band E (£.p)	Band F (£.p)	Band G (£.p)	Band H (£.p)	Band I (£.p)
Police & Crime Commissioner for South Wales	155.6809	181.6277	207.5745	233.5213	285.4149	337.3085	389.2022	467.0426	544.8830

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 2018/19 for each of the categories of dwellings shown below:

Total Council Tax Demand	Band A (£.p)	Band B (£.p)	Band C (£.p)	Band D (£.p)	Band E (£.p)	Band F (£.p)	Band G (£.p)	Band H (£.p)	Band I (£.p)
Gilfach Goch	1,119.78	1,306.41	1,493.04	1,679.67	2,052.93	2,426.20	2,799.46	3,359.35	3,919.24
Hirwaun	1,116.85	1,302.99	1,489.13	1,675.27	2,047.55	2,419.85	2,792.13	3,350.55	3,908.97
Llanharan	1,134.16	1,323.19	1,512.21	1,701.24	2,079.29	2,457.36	2,835.41	3,402.49	3,969.57
Llanharry	1,137.12	1,326.64	1,516.16	1,705.68	2,084.72	2,463.77	2,842.81	3,411.37	3,979.93
Llantrisant	1,119.79	1,306.42	1,493.05	1,679.68	2,052.94	2,426.22	2,799.48	3,359.37	3,919.26
Llantwit Fardre	1,118.96	1,305.46	1,491.94	1,678.44	2,051.42	2,424.43	2,797.41	3,356.89	3,916.37
Pontyclun	1,114.84	1,300.65	1,486.45	1,672.26	2,043.87	2,415.50	2,787.11	3,344.53	3,901.95
Pontypridd	1,137.13	1,326.65	1,516.17	1,705.69	2,084.73	2,463.79	2,842.83	3,411.39	3,979.95
Rhigos	1,128.46	1,316.54	1,504.61	1,692.69	2,068.84	2,445.01	2,821.16	3,385.39	3,949.62
Taffs Well	1,110.38	1,295.45	1,480.50	1,665.57	2,035.69	2,405.84	2,775.96	3,331.15	3,886.34
Tonyrefail	1,132.08	1,320.76	1,509.44	1,698.12	2,075.48	2,452.85	2,830.21	3,396.25	3,962.29
Ynysybwl & Coed-y-Cwm	1,112.11	1,297.46	1,482.81	1,668.16	2,038.86	2,409.58	2,780.28	3,336.33	3,892.38
All Other Parts of Rhondda Cynon Taf	1,093.12	1,275.31	1,457.49	1,639.68	2,004.05	2,368.44	2,732.81	3,279.37	3,825.93

Appendix 2