



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
COUNCIL**

4th MARCH 2020

COUNCIL TAX RESOLUTION FOR THE YEAR ENDING 31st MARCH 2021

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES

Author: Mr. Barrie Davies (Tel No. 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 2021 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 2021, as contained in Appendix 2; and
- 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 21st November 2019, Members confirmed the Council Tax Base for 2020/21 as £77,334.38. This means that each £1 of Council

Tax levied on dwellings within the County Borough in 2020/21 would yield an estimated Council Tax income to the Authority of £77,334.

- 3.2 Earlier in today's meeting Council was asked to agree the total budget for the financial year ending 31st March 2021, at £508.747M (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 6th January 2020, Welsh Government set the Non Domestic Rate multiplier (rate in the pound) for 2020/21 at 53.5p (from 52.6p in the current year), an increase of 1.7%. The multiplier rate is derived from the annual percentage change in the CPI (Consumer Price Index) to September (2019).

5.0 GOVERNMENT GRANTS

- 5.1 The Council will receive the following grants from the Welsh Government in 2020/21:

Table 1

Type of Grant	£M
Revenue Support Grant (RSG)	306.875
Redistributed Non Domestic Rates (NDR)	81.791
Total	388.666

6.0 POLICE & CRIME COMMISSIONER FOR SOUTH WALES - PRECEPT

- 6.1 The Police & Crime Commissioner for South Wales notified the Council on 3rd February 2020 that the precept for the financial year ending 31st March 2021 will rise by **6.5%** to £21,090,253 which equates to a Council Tax on a Band D property of £272.72, an increase of 5.90%.

7.0 COMMUNITY COUNCIL - PRECEPTS

- 7.1 Appendix 1 provides 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 2020/21

- 8.1 The net amount that the Council needs to raise from local Council Taxpayers is shown in Table 2 below:

Table 2

2020/21 Net Budget Requirement

	Budget	Band D Equivalent
	£M	£. p
2020/21 Net Revenue Spending	508.747	
Less: Revenue Support Grant	306.875	
Less: Non Domestic Rate Grant	81.791	
Less: Social Services and Children's Services Specific Grants	3.400	
<i>Sub-Total</i>	116.681	
Less: Release of Earmarked Reserves	0.800	
Council's Requirement from Taxpayers	115.881	1,498.44
Add: Police & Crime Commissioner for South Wales Precept	21.090	272.72
2020/21 Council Tax	136.971	1,771.16

- 8.2 If agreed at the Council meeting earlier today, the County Borough Council's revenue budget for the financial year ending 31st March 2021 will result in a Council Tax increase of 2.85% (excluding Community Council precepts).
- 8.3 However, the 5.90% 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 **3.31%** (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:
- (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

It remains my view that the Council should maintain a minimum level of General Fund Balances of £10M. I consider this necessary given the continuing financial pressures the Council is working under and the overall quantum of our budget (for 2020/21 set at £508.747M 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.

At the 31st March 2019, the level of General Fund Balances stood at £10.498M.

During February 2020 a major weather incident was declared by South Wales Police as a result of severe rain and flooding caused by Storm Dennis. Residents and businesses across Rhondda Cynon Taf suffered significant damage in addition to the Council's own infrastructure and properties.

An amount of £1.5M has been allocated from General Fund Balances to fund immediate and urgent recovery requirements from Storm Dennis. The balance of this reserve currently amounts to £8.998M. I am satisfied that it is wholly appropriate that our General Fund Balances are used in this way to support such an unprecedented event.

There remains a firm expectation that external financial support will be provided to the Council for this exceptional and substantial event.

The level of General Fund Balances will be replenished going forward, as and when external funding is confirmed, as part of future budget strategies (including the need to review service levels), from the reprioritisation of existing plans and / or from any opportunities to release earmarked reserves.

10.0 EQUALITY AND DIVERSITY IMPLICATIONS

10.1 As part of developing the recommended 2020/21 Revenue Budget Strategy, including the proposed Council Tax increase, an Equality Impact Assessment (EIA) has been undertaken to ensure that:

(a) the Council meets the requirements of the Public Sector Equality Duties; and

(b) due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

11.0 CONSULTATION

11.1 Consultation on the level of Council Tax for the forthcoming year has been undertaken as part of the Council's 2020/21 General Budget Strategy Consultation process.

12.0 FINANCIAL IMPLICATION(S)

12.1 The financial implications of the recommendations are set out in the main body of the Report.

13.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

13.1 The Local Government Finance Act 1992 requires each local authority to calculate its budget requirement for each financial year and the authority's council tax must be set to take into account the budget requirement. This report ensures compliance with the legal duty in respect of council tax setting.

14.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

14.1 The recommended budget and council tax level for 2020/21 has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan 2016 – 2020, and the new Corporate Plan "Making a Difference" 2020-2024. These documents are aligned to the goals and principles included within the Well-Being of Future Generations Act.

15.0 CONCLUSION

15.1 Should the Council agree the net revenue budget at £508.747M for 2020/21, 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 2021.

Appendix 1

Community Council Precepts - 2020/21

Community Area	2020/21 Precept	Band D	Precept Variance to Previous Year
Gilfach Goch	£56,000.00	£55.57	9.8%
Hirwaun	£61,281.47	£37.56	3.6%
Llanharan	£199,427.00	£64.56	0.6%
Llanharry	£127,787.00	£80.00	7.2%
Llantrisant	£230,409.91	£43.00	5.2%
Llantwit Fardre	£254,813.28	£38.76	0.1%
Pontyclun	£122,100.00	£34.97	3.1%
Pontypridd	£736,618.72	£70.27	3.9%
Rhigos	£15,500.00	£55.54	3.3%
Taffs Well	£37,599.00	£26.29	2.2%
Tonyrefail	£241,072.95	£60.51	3.0%
Ynysybwl & Coed-y-Cwm	£57,000.00	£39.81	37.8%
Total	£2,139,609.33		

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 2020/21:

(a) £77,334.38 being the amount calculated by the Council as the Council Tax Base for the year;

(b) Parts of the Council's area

Community Area	2020/21 Tax Base
Gilfach Goch	£1,007.74
Hirwaun	£1,631.39
Llanharan	£3,089.03
Llanharry	£1,597.34
Llantrisant	£5,358.37
Llantwit Fardre	£6,574.13
Pontyclun	£3,491.12
Pontypridd	£10,483.26
Rhigos	£279.10
Taffs Well	£1,430.43
Tonyrefail	£3,983.72
Ynysybwl & Coed-y-Cwm	£1,431.81

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 2020/21 in accordance with Section 32 to 36 of the Local Government and Finance Act, 1992:
- (a) **£734,397,473.30** ~ 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) **£228,135,516.95** ~ 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) **£506,261,956.35** ~ 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) **£388,241,415.00** ~ 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 Non-Domestic Rates (less discretionary Non Domestic Rate relief);
 - (e) **£1,526.11** ~ 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) **£2,139,609.33** ~ being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - (g) **£1,498.44** ~ 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 its 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
Gilfach Goch	£55.57
Hirwaun	£37.56
Llanharan	£64.56
Llanharry	£80.00
Llantrisant	£43.00
Llantwit Fardre	£38.76
Pontyclun	£34.97
Pontypridd	£70.27
Rhigos	£55.54
Taffs Well	£26.29
Tonyrefail	£60.51
Ynysybwl & Coed-y-Cwm	£39.81

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	1,036.01	1,208.67	1,381.35	1,554.01	1,899.35	2,244.68	2,590.02	3,108.02	3,626.02
Hirwaun	1,024.00	1,194.66	1,365.34	1,536.00	1,877.34	2,218.66	2,560.00	3,072.00	3,584.00
Llanharan	1,042.00	1,215.66	1,389.34	1,563.00	1,910.34	2,257.66	2,605.00	3,126.00	3,647.00
Llanharry	1,052.29	1,227.67	1,403.06	1,578.44	1,929.21	2,279.97	2,630.73	3,156.88	3,683.03
Llantrisant	1,027.63	1,198.89	1,370.17	1,541.44	1,883.99	2,226.52	2,569.07	3,082.88	3,596.69
Llantwit Fardre	1,024.80	1,195.60	1,366.40	1,537.20	1,878.80	2,220.40	2,562.00	3,074.40	3,586.80
Pontyclun	1,022.27	1,192.65	1,363.03	1,533.41	1,874.17	2,214.92	2,555.68	3,066.82	3,577.96
Pontypridd	1,045.81	1,220.10	1,394.41	1,568.71	1,917.32	2,265.91	2,614.52	3,137.42	3,660.32
Rhigos	1,035.99	1,208.65	1,381.32	1,553.98	1,899.31	2,244.63	2,589.97	3,107.96	3,625.95
Taffs Well	1,016.49	1,185.90	1,355.32	1,524.73	1,863.56	2,202.38	2,541.22	3,049.46	3,557.70
Tonyrefail	1,039.30	1,212.51	1,385.74	1,558.95	1,905.39	2,251.81	2,598.25	3,117.90	3,637.55
Ynysybwl & Coed-y-Cwm	1,025.50	1,196.41	1,367.34	1,538.25	1,880.09	2,221.91	2,563.75	3,076.50	3,589.25
All Other Parts of Rhondda Cynon Taf	998.96	1,165.45	1,331.95	1,498.44	1,831.43	2,164.41	2,497.40	2,996.88	3,496.36

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 2020/21, 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	181.81	212.11	242.41	272.72	333.32	393.92	454.53	545.43	636.34

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 2020/21 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	1,217.82	1,420.78	1,623.76	1,826.73	2,232.67	2,638.60	3,044.55	3,653.45	4,262.36
Hirwaun	1,205.81	1,406.77	1,607.75	1,808.72	2,210.66	2,612.58	3,014.53	3,617.43	4,220.34
Llanharan	1,223.81	1,427.77	1,631.75	1,835.72	2,243.66	2,651.58	3,059.53	3,671.43	4,283.34
Llanharry	1,234.10	1,439.78	1,645.47	1,851.16	2,262.53	2,673.89	3,085.26	3,702.31	4,319.37
Llantrisant	1,209.44	1,411.00	1,612.58	1,814.16	2,217.31	2,620.44	3,023.60	3,628.31	4,233.03
Llantwit Fardre	1,206.61	1,407.71	1,608.81	1,809.92	2,212.12	2,614.32	3,016.53	3,619.83	4,223.14
Pontyclun	1,204.08	1,404.76	1,605.44	1,806.13	2,207.49	2,608.84	3,010.21	3,612.25	4,214.30
Pontypridd	1,227.62	1,432.21	1,636.82	1,841.43	2,250.64	2,659.83	3,069.05	3,682.85	4,296.66
Rhigos	1,217.80	1,420.76	1,623.73	1,826.70	2,232.63	2,638.55	3,044.50	3,653.39	4,262.29
Taffs Well	1,198.30	1,398.01	1,597.73	1,797.45	2,196.88	2,596.30	2,995.75	3,594.89	4,194.04
Tonyrefail	1,221.11	1,424.62	1,628.15	1,831.67	2,238.71	2,645.73	3,052.78	3,663.33	4,273.89
Ynysybwl & Coed-y-Cwm	1,207.31	1,408.52	1,609.75	1,810.97	2,213.41	2,615.83	3,018.28	3,621.93	4,225.59
All Other Parts of Rhondda Cynon Taf	1,180.77	1,377.56	1,574.36	1,771.16	2,164.75	2,558.33	2,951.93	3,542.31	4,132.70