



## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### CABINET

17<sup>TH</sup> NOVEMBER 2020

### COUNCIL TAX BASE FOR 2021/22

#### REPORT OF THE DIRECTOR OF FINANCE & DIGITAL SERVICES IN DISCUSSION WITH COUNCILLOR M NORRIS

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#### **1. PURPOSE OF THE REPORT**

- 1.1 This report formally sets the Council Tax Base for the financial year 2021/22.

#### **2. RECOMMENDATIONS**

It is recommended that Cabinet agree:

- 2.1 That in accordance with the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 as amended, the amount calculated by the Council as its net tax base for the financial year 2021/22, shall be **£77,197.81**.
- 2.2 That for each defined community area of the County Borough, the 2021/22 tax base for Council Tax setting purposes, shall be as set out at Appendix 1.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 It is a statutory requirement to agree and set the Council Tax Base for the forthcoming financial year prior to 31<sup>st</sup> December each year.

#### **4. BACKGROUND**

- 3.1 Under the provisions of the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007, as amended, the “calculation and determination of the council tax base” are specified as functions that may be the responsibility of the Executive. Council, on the 7<sup>th</sup> December 2005, determined 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 and the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, 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 represents 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 net Tax Base calculated by taking account of the Council's estimated collection rate.
- 3.4 The gross Council Tax Base calculated for 2021/22 is **£79,380.78**. It is proposed that the collection rate is estimated to be 97.25% (97.5% for 2020/21) having taken into account and making an allowance for the impact of COVID 19 on the collection and recovery of council tax. This produces a net Council Tax Base of **£77,197.81**. This means that for every £1 levied in Council Tax next year, a sum of £77,198 will be generated to meet the budget requirement of the Council.
- 3.5 The Council Tax Base is reported to Welsh Government and is used as part of the distribution of the Revenue Support Grant in the Local Government Revenue Settlement. It is also used by the Council when it sets its annual budget i.e. the net annual budget requirement to be funded by taxpayers 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 Tax Bands (A to C and E to I).
- 3.6 The Council is required to calculate the Tax Base for the County Borough as a whole, in addition to making separate calculations for defined community areas that may have their own Community Council. The Council Tax Base for all parts of the County Borough is set out at Appendix 1.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 There are no equality and diversity implications.

## **6. CONSULTATION**

- 6.1 There are no consultation requirements emanating from the recommendations set out in the report. The Council's Revenue Budget (including Council Tax levels) is subject to a separate consultation process.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 The contents of this report are determined by a statutory and regulatory framework. The gross tax base is used as part of the distribution of the Revenue Support Grant within the Local Government Revenue Settlement and the net tax base determines the level and quantum of Council Tax levied and therefore the resources available to the Council. This will be dealt with as part of the Tax Setting and Budget Requirement reports that will be considered by Council in March 2021.
- 7.2 The tax base incorporates the Council's policy with regard to the level of discount for prescribed classes of dwellings, as reviewed and determined by Council on 21<sup>st</sup> October 2020.

## **8. LEGAL IMPLICATIONS**

- 8.1 To fulfil the Council's statutory duty to set the revenue budget and Council Tax for the forthcoming financial year and in line with :-
- The Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007, as amended;
  - Local Government Finance Act 1992, Section 33;
  - Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended; and
  - Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998, as amended.

## **9. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 9.1 The proposals link to the Corporate Plan priority of 'Living Within Our Means'.

## **10. CONCLUSION**

- 10.1 The Council is required to set its Tax Base annually in accordance with regulations as set out in the report.

<b>2021/22 Tax Base Analysis</b>			
<b>Area</b>		<b>Gross Band D Equivalents (£)</b>	<b>Adjusted Tax Base (assumed collection rate of 97.25%) (£)</b>
<b>Non Precepting Communities</b>			
<b>Rhondda Community Areas</b>	Treherbert	1,672.69	1,626.69
	Treorchy	2,419.77	2,353.23
	Pentre	1,595.57	1,551.69
	Ystrad	1,719.94	1,672.64
	Llwynypia	644.27	626.55
	Cwm Clydach	807.33	785.13
	Tonypandy	1,136.91	1,105.65
	Trealaw	1,194.81	1,161.95
	Penygraig	1,672.33	1,626.34
	Cymmer	1,633.73	1,588.80
	Porth	1,838.80	1,788.23
	Ynyshir	962.98	936.50
	Tylorstown	1,346.47	1,309.44
	Ferndale	1,235.41	1,201.44
	Maerdy	869.34	845.43
	<b>Cynon Valley Community Areas</b>	Penywaun	780.73
Llwydcoed		675.28	656.71
Aberdare		5,077.60	4,937.97
Cwmbach		1,803.35	1,753.76
Aberaman		3,036.41	2,952.91
Abercynon		1,939.69	1,886.35
Mountain Ash		2,349.50	2,284.89
Penrhiwceiber		1,640.86	1,595.74
<b>Precepting Communities</b>			
<b>Cynon Valley Community Areas</b>	Ynysybwl & Coed y Cwm	1,447.92	1,408.10
	Rhigos	290.19	282.21
	Hirwaun	1,689.40	1,642.94
<b>Taff Ely Community Areas</b>	Pontypridd	10,716.59	10,421.88
	Llantwit Fardre	6,746.77	6,561.23
	Taffs Well	1,402.36	1,363.80
	Pontyclun	3,575.97	3,477.63
	Llantrisant	5,520.21	5,368.41
	Tonyrefail	4,094.79	3,982.18
	Gilfach Goch	1,038.17	1,009.62
	Llanharan	3,165.36	3,078.31
	Llanharry	1,639.28	1,594.20
<b>Grand Total</b>		<b>79,380.78</b>	<b>77,197.81</b>



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**17<sup>TH</sup> NOVEMBER 2020**

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**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES IN DISCUSSION  
WITH THE RELEVANT PORTFOLIO HOLDER (CLLR NORRIS)**

**Item: 5**

**Background Papers**

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