



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
COUNCIL**

9th MARCH 2022

COUNCIL TAX RESOLUTION FOR THE YEAR ENDING 31st MARCH 2023

REPORT OF THE DIRECTOR OF FINANCE & DIGITAL 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 2023 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 2023, 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 15th November 2021, Members confirmed the Council Tax Base for 2022/23 as £77,707.00. This means that each £1 of Council

Tax levied on dwellings within the County Borough in 2022/23 would yield an estimated Council Tax income to the Authority of £77,707.

- 3.2 Earlier in today's meeting Council was asked to agree the total budget for the financial year ending 31st March 2023, at £566.792M (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 16th February 2022, Welsh Government provided notification of the Non-Domestic Rate multiplier (rate in the pound) for 2022/23 at 53.5p (no change from the current year). The multiplier rate is normally updated based on the annual percentage change in the CPI (Consumer Price Index) but for the forthcoming financial year Welsh Government have determined to "freeze" the multiplier.

5.0 GOVERNMENT GRANTS

- 5.1 The Council will receive the following grants from the Welsh Government in 2022/23:

Table 1

Type of Grant	£M
Revenue Support Grant (RSG)	355.822
Redistributed Non-Domestic Rates (NDR)	85.619
Total	441.441

6.0 POLICE & CRIME COMMISSIONER FOR SOUTH WALES - PRECEPT

- 6.1 The Police & Crime Commissioner for South Wales notified the Council on 8th February 2022 that the precept for the financial year ending 31st March 2023 will rise by **5.69%** to £23,476,062 which equates to a Council Tax on a Band D property of £302.11, an increase of **5.0%**.

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 2022/23

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

Table 2

2022/23 Net Budget Requirement

	Budget	Band D Equivalent
	£M	£. p
2022/23 Net Revenue Spending	566.792	
Less: Revenue Support Grant	355.822	
Less: Non Domestic Rate Grant	85.619	
Less: Social Care Workforce Grant	3.668	
Sub-Total	121.683	
Less: Release of Earmarked Reserves	0.963	
Council's Requirement from Taxpayers	120.720	1,553.53
Add: Police & Crime Commissioner for South Wales Precept	23.476	302.11
2022/23 Council Tax	144.196	1,855.64

- 8.2 If agreed at the Council meeting earlier today, the County Borough Council's revenue budget for the financial year ending 31st March 2023 will result in a Council Tax increase of 1.00% (excluding Community Council precepts).
- 8.3 However, the 5.0% 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 **1.63%** (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 which, along with other components of the budget strategy have allowed us to match service requirements against available resources.

Welsh Government support to fund costs arising as a direct consequence of the pandemic has continued through the 2021/22 financial year via the Hardship Fund. WG have stated that they do not intend to continue to provide such additional support going forward and that councils will have to manage these implications through the additional resources provided in the settlement. The Council will need to monitor the financial implications closely moving forward, using any flexibility afforded within its available reserves to transition any permanent additional costs into the base budget over the medium term.

Our budget requirements are also modelled on a best estimate of demand across our services; we will continue to closely monitor spend against our budget in the knowledge that there may be volatility in demand and spend (for example in social care) as we recover from the pandemic.

(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 2022/23 set at £566.792M 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 2021, the level of General Fund Balances stood at £8.505M and I am satisfied that plans are in place to replenish General Fund Balances to the minimum level over the period of the Council's current Medium Term Financial Plan with £0.5M built into our base budget from 2021/22.

10.0 EQUALITY AND DIVERSITY AND SOCIO-ECONOMIC DUTY IMPLICATIONS

- 10.1 Due regard has been given to the Council's public sector equality duties under the Equality Act 2010, namely the Public Sector Equality Duty and Socio-Economic Duty.

10.2 An Equality Impact Assessment has been completed and concluded that the recommendations set out in the report are in line with the above legislation.

11.0 WELSH LANGUAGE IMPLICATIONS

11.1 The allocation of resources, as set out in the 2022/23 Revenue Budget Strategy, is based on supporting the Council's service delivery requirements and associated statutory responsibilities for the forthcoming year. In doing so, the Strategy (that includes the required funding to be raised from local Council Tax payers) is in line with the Welsh Language (Wales) Measure 2011.

12.0 CONSULTATION

12.1 Consultation on the level of Council Tax for the forthcoming year has been undertaken as part of the Council's 2022/23 Budget Strategy Consultation process.

13.0 FINANCIAL IMPLICATION(S)

13.1 The financial implications of the recommendations are set out in the main body of the report.

14.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

14.1 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.

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

15.1 The recommended budget and council tax level for 2022/23 have been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020-2024. The Council's Corporate Plan is aligned to the goals and principles included within the Well-Being of Future Generations (Wales) Act.

16.0 CONCLUSION

16.1 Should the Council agree the net revenue budget at £566.792M for 2022/23, 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 2023.

Appendix 1

Community Council Precepts - 2022/23

Community Area	2022/23 Precept	Band D	Precept Variance to Previous Year
Gilfach Goch	£107,430.00	£106.40	411.6%
Hirwaun	£79,030.09	£48.00	22.8%
Llanharan	£243,094.00	£75.40	22.3%
Llanharry	£111,737.00	£70.00	0.1%
Llantrisant	£278,278.00	£52.00	20.5%
Llantwit Fardre	£304,795.00	£46.27	19.9%
Pontyclun	£132,584.00	£38.10	3.5%
Pontypridd	£763,171.99	£73.19	2.3%
Rhigos	£16,500.00	£58.88	3.1%
Taffs Well	£37,259.00	£26.29	3.9%
Tonyrefail	£244,562.80	£60.54	1.4%
Ynysybwl & Coed-y-Cwm	£57,000.00	£40.05	0.0%
Total	£2,375,441.88		

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 2022/23:

(a) £77,707.00 being the amount calculated by the Council as the Council Tax Base for the year;

(b) Parts of the Council's area

Community Area	2022/23 Tax Base
Gilfach Goch	£1,009.67
Hirwaun	£1,646.55
Llanharan	£3,224.19
Llanharry	£1,596.25
Llantrisant	£5,351.50
Llantwit Fardre	£6,587.36
Pontyclun	£3,479.44
Pontypridd	£10,426.58
Rhigos	£280.22
Taffs Well	£1,417.26
Tonyrefail	£4,039.69
Ynysybwl & Coed-y-Cwm	£1,423.28

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 2022/23 in accordance with Section 32 to 36 of the Local Government and Finance Act, 1992:
- (a) **£782,554,555.14** ~ 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) **£218,443,257.27** ~ 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) **£564,111,297.88** ~ 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) **£441,015,703.00** ~ 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) **£1,584.10**~ 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) **£2,375,441.88** ~ being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - (g) **£1,553.53** ~ 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	£106.40
Hirwaun	£48.00
Llanharan	£75.40
Llanharry	£70.00
Llantrisant	£52.00
Llantwit Fardre	£46.27
Pontyclun	£38.10
Pontypridd	£73.19
Rhigos	£58.88
Taffs Well	£26.29
Tonyrefail	£60.54
Ynysybwl & Coed-y-Cwm	£40.05

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	1,106.62	1,291.06	1,475.50	1,659.93	2,028.80	2,397.68	2,766.55	3,319.86	3,873.17
Hirwaun	1,067.69	1,245.63	1,423.59	1,601.53	1,957.43	2,313.32	2,669.22	3,203.06	3,736.90
Llanharan	1,085.96	1,266.94	1,447.94	1,628.93	1,990.92	2,352.90	2,714.89	3,257.86	3,800.83
Llanharry	1,082.36	1,262.74	1,443.14	1,623.53	1,984.32	2,345.10	2,705.89	3,247.06	3,788.23
Llantrisant	1,070.36	1,248.74	1,427.14	1,605.53	1,962.32	2,319.10	2,675.89	3,211.06	3,746.23
Llantwit Fardre	1,066.54	1,244.29	1,422.05	1,599.80	1,955.31	2,310.82	2,666.34	3,199.60	3,732.86
Pontyclun	1,061.09	1,237.93	1,414.79	1,591.63	1,945.33	2,299.02	2,652.72	3,183.26	3,713.80
Pontypridd	1,084.48	1,265.23	1,445.98	1,626.72	1,988.21	2,349.71	2,711.20	3,253.44	3,795.68
Rhigos	1,074.94	1,254.10	1,433.26	1,612.41	1,970.72	2,329.04	2,687.35	3,224.82	3,762.29
Taffs Well	1,053.22	1,228.75	1,404.29	1,579.82	1,930.89	2,281.96	2,633.04	3,159.64	3,686.24
Tonyrefail	1,076.05	1,255.39	1,434.73	1,614.07	1,972.75	2,331.44	2,690.12	3,228.14	3,766.16
Ynysybwl & Coed-y-Cwm	1,062.39	1,239.45	1,416.52	1,593.58	1,947.71	2,301.84	2,655.97	3,187.16	3,718.35
All Other Parts of Rhondda Cynon Taf	1,035.69	1,208.30	1,380.92	1,553.53	1,898.76	2,243.99	2,589.22	3,107.06	3,624.90

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 2022/23, 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	201.41	234.97	268.54	302.11	369.25	436.38	503.52	604.22	704.92

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 2022/23 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	1,308.03	1,526.03	1,744.04	1,962.04	2,398.05	2,834.06	3,270.07	3,924.08	4,578.09
Hirwaun	1,269.10	1,480.60	1,692.13	1,903.64	2,326.68	2,749.70	3,172.74	3,807.28	4,441.82
Llanharan	1,287.37	1,501.91	1,716.48	1,931.04	2,360.17	2,789.28	3,218.41	3,862.08	4,505.75
Llanharry	1,283.77	1,497.71	1,711.68	1,925.64	2,353.57	2,781.48	3,209.41	3,851.28	4,493.15
Llantrisant	1,271.77	1,483.71	1,695.68	1,907.64	2,331.57	2,755.48	3,179.41	3,815.28	4,451.15
Llantwit Fardre	1,267.95	1,479.26	1,690.59	1,901.91	2,324.56	2,747.20	3,169.86	3,803.82	4,437.78
Pontyclun	1,262.50	1,472.90	1,683.33	1,893.74	2,314.58	2,735.40	3,156.24	3,787.48	4,418.72
Pontypridd	1,285.89	1,500.20	1,714.52	1,928.83	2,357.46	2,786.09	3,214.72	3,857.66	4,500.60
Rhigos	1,276.35	1,489.07	1,701.80	1,914.52	2,339.97	2,765.42	3,190.87	3,829.04	4,467.21
Taffs Well	1,254.63	1,463.72	1,672.83	1,881.93	2,300.14	2,718.34	3,136.56	3,763.86	4,391.16
Tonyrefail	1,277.46	1,490.36	1,703.27	1,916.18	2,342.00	2,767.82	3,193.64	3,832.36	4,471.08
Ynysybwl & Coed-y-Cwm	1,263.80	1,474.42	1,685.06	1,895.69	2,316.96	2,738.22	3,159.49	3,791.38	4,423.27
All Other Parts of Rhondda Cynon Taf	1,237.10	1,443.27	1,649.46	1,855.64	2,268.01	2,680.37	3,092.74	3,711.28	4,329.82