



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

COUNCIL

8th MARCH 2023

COUNCIL TAX RESOLUTION FOR THE YEAR ENDING 31st MARCH 2024

REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP DIRECTOR – FINANCE, DIGITAL AND FRONTLINE 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 2024 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 2024, 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 7th November 2022, Members confirmed the Council Tax Base for 2023/24 as £77,977.84. This means that each £1 of Council Tax levied on dwellings within the County Borough in 2023/24 would yield an estimated Council Tax income to the Authority of £77,978.

3.2 Earlier in today's meeting Council was asked to agree the total budget for the financial year ending 31st March 2024, at £609.955M (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 12th December 2022, Welsh Government provided notification of the Non-Domestic Rate multiplier (rate in the pound) for 2023/24 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 2023/24:

Table 1

Type of Grant	£M
Revenue Support Grant (RSG)	394.128
Redistributed Non-Domestic Rates (NDR)	77.189
Total	471.317

6.0 POLICE & CRIME COMMISSIONER FOR SOUTH WALES - PRECEPT

6.1 The Police & Crime Commissioner for South Wales notified the Council on 8th February 2023 that the precept for the financial year ending 31st March 2024 will rise by **7.8%** to £25,301,470 which equates to a Council Tax on a Band D property of £324.47, an increase of **7.4%**.

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 2023/24

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

Table 2

2023/24 Net Budget Requirement

	Budget	Band D Equivalent
	£M	£. p
2023/24 Net Revenue Spending	609.955	
Less: Revenue Support Grant	394.128	
Less: Non Domestic Rate Grant	77.189	
Less: Social Care Workforce Grant	3.668	
Sub-Total	134.970	
Less: Energy Reserve	5.000	
Less: Release of Earmarked Reserves	4.105	
Council's Requirement from Taxpayers	125.865	1,614.11
Add: Police & Crime Commissioner for South Wales Precept	25.301	324.47
2023/24 Council Tax	151.166	1,938.58

- 8.2 If agreed at the Council meeting earlier today, the County Borough Council's revenue budget for the financial year ending 31st March 2024 will result in a Council Tax increase of 3.90% (excluding Community Council precepts).
- 8.3 However, the 7.40% 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 **4.47%** (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 and other budget reduction measures have been identified which, along with other components of the budget strategy have allowed us to match service requirements against available resources. I am satisfied that the overall budget reduction measures which are built into the Council's 2023/24 budget are suitably robust.

Our budget requirements are 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).

The Council also continues to monitor the financial implications of the recovery from the pandemic and the impact of significant inflationary pressures on the Council services and contractors, including energy costs. There will be a need to continue to use flexibility afforded within available reserves to transition any permanent additional costs into the base budget over the medium term.

(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 2023/24 set at £609.955M 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 2022, the level of General Fund Balances stood at £10.292M. Whilst the current financial year (2022/23) is extremely challenging, I am satisfied that plans are in place to manage the implications without adversely impacting on the level of General Fund Balances.

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 2023/24 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 2023/24 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 2023/24 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 £609.955M for 2023/24, 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 2024.

Appendix 1

Community Council Precepts - 2023/24

Community Area	2023/24 Precept	Band D	Precept Variance to Previous Year
Gilfach Goch	£170,481.00	£167.49	58.7%
Hirwaun	£87,723.40	£53.38	11.0%
Llanharan	£261,900.00	£79.17	7.7%
Llanharry	£112,584.00	£70.00	0.8%
Llantrisant	£295,315.00	£55.00	6.1%
Llantwit Fardre	£327,579.00	£49.88	7.5%
Pontyclun	£205,255.00	£59.04	54.8%
Pontypridd	£790,302.20	£75.64	3.6%
Rhigos	£17,000.00	£60.95	3.0%
Taffs Well	£38,047.00	£27.07	2.1%
Tonyrefail	£244,563.00	£59.61	0.0%
Ynysybwl & Coed-y-Cwm	£57,000.00	£40.26	0.0%
Total	£2,607,749.60		

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 2023/24:

(a) £77,977.84 being the amount calculated by the Council as the Council Tax Base for the year;

(b) Parts of the Council's area

Community Area	2023/24 Tax Base
Gilfach Goch	£1,017.83
Hirwaun	£1,643.42
Llanharan	£3,308.07
Llanharry	£1,608.35
Llantrisant	£5,369.38
Llantwit Fardre	£6,566.78
Pontyclun	£3,476.79
Pontypridd	£10,447.59
Rhigos	£278.91
Taffs Well	£1,405.61
Tonyrefail	£4,102.63
Ynysybwl & Coed-y-Cwm	£1,415.82

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 2023/24 in accordance with Section 32 to 36 of the Local Government and Finance Act, 1992:
- (a) **£833,302,253.88** ~ 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) **£233,937,402.28** ~ 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) **£599,364,851.60** ~ 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) **£470,892,290.00** ~ 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) **£1,647.55** ~ 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) **£2,607,749.60** ~ being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - (g) **£1,614.11** ~ 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	£167.49
Hirwaun	£53.38
Llanharan	£79.17
Llanharry	£70.00
Llantrisant	£55.00
Llantwit Fardre	£49.88
Pontyclun	£59.04
Pontypridd	£75.64
Rhigos	£60.95
Taffs Well	£27.07
Tonyrefail	£59.61
Ynysybwl & Coed-y-Cwm	£40.26

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	1,187.73	1,385.69	1,583.64	1,781.60	2,177.51	2,573.42	2,969.33	3,563.20	4,157.07
Hirwaun	1,111.66	1,296.94	1,482.21	1,667.49	2,038.04	2,408.59	2,779.15	3,334.98	3,890.81
Llanharan	1,128.85	1,317.00	1,505.13	1,693.28	2,069.56	2,445.85	2,822.13	3,386.56	3,950.99
Llanharry	1,122.74	1,309.86	1,496.98	1,684.11	2,058.36	2,432.60	2,806.85	3,368.22	3,929.59
Llantrisant	1,112.74	1,298.20	1,483.65	1,669.11	2,040.02	2,410.93	2,781.85	3,338.22	3,894.59
Llantwit Fardre	1,109.32	1,294.22	1,479.10	1,663.99	2,033.76	2,403.54	2,773.31	3,327.98	3,882.65
Pontyclun	1,115.43	1,301.34	1,487.24	1,673.15	2,044.96	2,416.77	2,788.58	3,346.30	3,904.02
Pontypridd	1,126.50	1,314.25	1,502.00	1,689.75	2,065.25	2,440.75	2,816.25	3,379.50	3,942.75
Rhigos	1,116.70	1,302.83	1,488.94	1,675.06	2,047.29	2,419.53	2,791.76	3,350.12	3,908.48
Taffs Well	1,094.12	1,276.47	1,458.82	1,641.18	2,005.89	2,370.59	2,735.30	3,282.36	3,829.42
Tonyrefail	1,115.81	1,301.78	1,487.75	1,673.72	2,045.66	2,417.59	2,789.53	3,347.44	3,905.35
Ynysybwl & Coed-y-Cwm	1,102.91	1,286.73	1,470.55	1,654.37	2,022.01	2,389.64	2,757.28	3,308.74	3,860.20
All Other Parts of Rhondda Cynon Taf	1,076.07	1,255.42	1,434.76	1,614.11	1,972.80	2,331.49	2,690.18	3,228.22	3,766.26

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 2023/24, 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	216.31	252.37	288.42	324.47	396.57	468.68	540.78	648.94	757.10

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 2023/24 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	1,404.04	1,638.06	1,872.06	2,106.07	2,574.08	3,042.10	3,510.11	4,212.14	4,914.17
Hirwaun	1,327.97	1,549.31	1,770.63	1,991.96	2,434.61	2,877.27	3,319.93	3,983.92	4,647.91
Llanharan	1,345.16	1,569.37	1,793.55	2,017.75	2,466.13	2,914.53	3,362.91	4,035.50	4,708.09
Llanharry	1,339.05	1,562.23	1,785.40	2,008.58	2,454.93	2,901.28	3,347.63	4,017.16	4,686.69
Llantrisant	1,329.05	1,550.57	1,772.07	1,993.58	2,436.59	2,879.61	3,322.63	3,987.16	4,651.69
Llantwit Fardre	1,325.63	1,546.59	1,767.52	1,988.46	2,430.33	2,872.22	3,314.09	3,976.92	4,639.75
Pontyclun	1,331.74	1,553.71	1,775.66	1,997.62	2,441.53	2,885.45	3,329.36	3,995.24	4,661.12
Pontypridd	1,342.81	1,566.62	1,790.42	2,014.22	2,461.82	2,909.43	3,357.03	4,028.44	4,699.85
Rhigos	1,333.01	1,555.20	1,777.36	1,999.53	2,443.86	2,888.21	3,332.54	3,999.06	4,665.58
Taffs Well	1,310.43	1,528.84	1,747.24	1,965.65	2,402.46	2,839.27	3,276.08	3,931.30	4,586.52
Tonyrefail	1,332.12	1,554.15	1,776.17	1,998.19	2,442.23	2,886.27	3,330.31	3,996.38	4,662.45
Ynysybwl & Coed-y-Cwm	1,319.22	1,539.10	1,758.97	1,978.84	2,418.58	2,858.32	3,298.06	3,957.68	4,617.30
All Other Parts of Rhondda Cynon Taf	1,292.38	1,507.79	1,723.18	1,938.58	2,369.37	2,800.17	3,230.96	3,877.16	4,523.36