



CABINET – 11TH DECEMBER 2013

SUBJECT: COUNCIL TAX BASE 2014-2015

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER

1. PURPOSE OF REPORT

1.1 For Cabinet to agree the calculation of the Council Tax Base for 2014-15.

2. SUMMARY

2.1 The report provides details of the council tax base for 2014/15 for tax setting purposes and the collection percentage to be applied.

3. LINKS TO STRATEGY

3.1 The Council Tax is a significant resource which assists the Council in achieving its various strategies.

4. FINANCIAL IMPLICATIONS

4.1 The Local Government Finance Act 1992 and The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 sets out the rules for the calculation of the Council Tax base. This is the amount required by the Local Government Finance Act 1992 to be used in the calculation of the Council Tax.

4.2 The Council Tax base for discounted chargeable dwellings expressed as Band D equivalents has been calculated at 60,836.64 for 2014/15. This is a **0.53%** increase on 2013/14. Members are advised that increases in Band D equivalents can result in a reduced Revenue Support Grant when the final settlement announcement is made in December 2013. Hence at this stage additional income cannot be factored into the budget setting process for 2014/15.

4.3 For 2013/14 a collection rate of 97% was assumed. The collection rates for council tax have steadily increased over the last 3 years, in fact the in-year collection rate for council tax in 2012/13 was the best ever performance for Caerphilly CBC. This has been achieved against the backdrop of reduced staffing levels, with staffing being reduced in recent years from 31 to 24.5. The Authority pursues Council Tax arrears and this results in the collection rate of 97% being regularly exceeded. This generates a council tax surplus at the financial year end. For 2012/13 the council tax surplus was £1.5m.

4.4 Following the abolition of Council Tax Benefit in 2013/14 by the UK Coalition Government, Welsh Government (WG) has decided to maintain entitlements under the Council Tax Reduction Scheme (CTRS). In November 2013 WG brought forward regulations placing a duty on Local Authorities to introduce Council Tax Reduction Schemes for 2014/15, which maintain full entitlements for all eligible claimants and retains the national framework scheme

which was introduced last year. For 2014/15 funding for the CTRS will be included within the Revenue Support Grant at 2013/14 levels, which means that local authorities must take account of any additional costs in making their decisions about council tax levels for 2014/15. This means that a 1% increase in Council Tax would see an increase of approximately £136K CTRS expenditure in 2014/15. This shortfall would have to be met by the Authority and therefore it would be prudent to apply the increase in the council tax for 14/15 to the total funds set aside for CTRS funding and reduce the anticipated additional council tax income by this value.

- 4.5 Looking forward WG have commissioned a review looking at the options for a longer-term solution which will provide an equitable and sustainable scheme within the available funding to be implemented from 2015/16.
- 4.6 The Council Tax base for 2014/2015 is 60,836.64 x 97% which equates to 59,011.54. The Council Tax base analysed over community council areas is as follows:

Community Council	Band D Equivalent
Aber Valley	1,986.86
Argoed	843.96
Bargoed	3,500.60
Bedwas, Trethomas & Machen	3,701.78
Blackwood	2,887.05
Caerphilly	5,978.89
Darran Valley	699.19
Draethen, Waterloo & Rudry	585.77
Gelligaer	6,146.26
Llanbradach & Pwllpant	1,444.71
Maesycwmmmer	764.99
Nelson	1,557.29
New Tredegar	1,337.52
Penyrheol, Trecenydd & Energlyn	4,401.15
Rhymney	2,530.91
Risca East	2,026.24
Risca West	1,771.71
Van	1,633.38
Areas without Community Councils	15,213.28
Total	<u>59,011.54</u>

5. EQUALITIES IMPLICATIONS

- 5.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan, therefore no Equalities Impact Assessment has been carried out.

6. PERSONNEL IMPLICATIONS

- 6.1 There are none.

7. CONSULTATIONS

- 7.1 There are no consultation responses which have not been reflected in this report.

8. RECOMMENDATIONS

8.1 It is recommended that:

- The council tax collection rate of 97% remains unchanged for 2014/15.
- CTRS funding is increased by the same percentage as the council tax for 2014/15. This will be funded by setting aside funding from anticipated council tax income as outlined in paragraph 4.4.
- The Council Tax Base for the year 2014-2015 be 59,011.54, with the Council Tax Base for each community council area as outlined in paragraph 4.6.

9. REASONS FOR THE RECOMMENDATIONS

9.1 To determine the Council Tax base for 2014-2015.

10. STATUTORY POWER

10.1 Local Government Finance Act 1992 and regulations made under the Act.

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Appendix: Council Tax Dwellings Return for 2014-2015 – attached