



## CABINET - 10TH DECEMBER 2014

**SUBJECT: COUNCIL TAX BASE 2015-2016**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER**

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### 1. PURPOSE OF REPORT

1.1 For Cabinet to agree the calculation of the Council Tax Base for 2015/16.

### 2. SUMMARY

2.1 The report provides details of the Council Tax base for 2015/16 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 61,152.72 for 2015/16. This is a **0.52%** increase on 2014/15. 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 2014. Hence at this stage, additional income cannot be factored into the budget setting process for 2015/16.

4.3 For 2014/15 a collection rate of 97% was assumed. The collection rates for Council Tax have steadily increased over recent years, in fact the in-year collection rate for Council Tax in 2013/14 matched the 2012/13 rate which 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 2013/14 the Council Tax surplus was £1.27m. Members should note that the surplus is used to support the Authority's base budget.

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) until 31<sup>st</sup> March 2017. In November 2013 WG brought forward regulations placing a duty on Local Authorities to introduce Council Tax Reduction Schemes

for 2014/15, this has been extended for 2015/16, and requires all Welsh Authorities to maintain full entitlements for all eligible claimants and retains the national framework scheme which was introduced in 2013/14.

- 4.5 Since 2014/15 funding for the CTRS has been included within the Revenue Support Grant at 2013/14 levels. This means that Local Authorities must take account of any additional CTRS costs arising from their decisions about Council Tax levels for 2015/16. Any increase in CTRS expenditure would have to be met by the Authority and therefore it would be prudent to apply the same percentage increase in the Council Tax for 2015/16, to the total funds set aside for the CTRS. An element of the increased revenue from Council Tax would then need to be set aside to fund the increased CTRS costs.
- 4.6 Looking forward WG 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 2017/18 onwards.
- 4.7 The Council Tax base for 2015/16 is 61,152.72 x 97% which equates to 59,318.14. The Council Tax base analysed over community council areas is as follows:

<b>Community Council</b>	<b>Band D Equivalent</b>
Aber Valley	1,996.04
Argoed	843.52
Bargoed	3,564.97
Bedwas, Trethomas & Machen	3,761.31
Blackwood	2,871.52
Caerphilly	6,050.10
Darran Valley	700.31
Draethen, Waterloo & Rudry	588.93
Gelligaer	6,189.13
Llanbradach & Pwllpant	1,454.24
Maesycwmmmer	765.28
Nelson	1,567.59
New Tredegar	1,335.83
Penyrheol, Trecenydd & Energlyn	4,410.13
Rhymney	2,523.24
Risca East	2,037.75
Risca West	1,765.31
Van	1,626.69
Areas without Community Councils	15,266.25
<b>Total</b>	<b><u>59,318.14</u></b>

## **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 2015/16.
- CTRS funding is increased by the same percentage as the Council Tax for 2015/16. This will be funded by setting aside funding from anticipated Council Tax income as outlined in paragraph 4.5.
- The Council Tax Base for the year 2015/16 be 59,318.14, with the Council Tax Base for each community council area as outlined in paragraph 4.7.

## **9. REASONS FOR THE RECOMMENDATIONS**

9.1 To determine the Council Tax base for 2015-2016.

## **10. STATUTORY POWER**

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

Author: S. Harris, Interim Head of Corporate Finance  
Tel: 01443 863022 E-mail: harrisr@caerphilly.gov.uk

Consultees: C. Burns, Interim Chief Executive  
Cllr K. Reynolds, Leader of Council  
Cllr B Jones, Deputy Leader/Cabinet Member for Corporate Services  
N. Scammell, Acting Director of Corporate Services & Section 151 Officer  
J. Carpenter, Council Tax & NNDR Manager  
S. O'Donnell, Principal Council Tax & NNDR Officer  
A. Southcombe, Finance Manager, Corporate Finance

Appendices:

Appendix: Council Tax Dwellings Return for 2015-2016