CARDIFF COUNCIL CYNGOR CAERDYDD



COUNCIL: 19 DECEMBER 2013

CABINET PROPOSAL AGENDA ITEM: 8

CALCULATION OF COUNCIL TAX BASE

Reason for this Report

- 1. The information is required by the Welsh Government under its powers in section 68 of the Local Government Finance Act 1992, as amended. The Council is required to approve the calculation of the council tax base as this function has not been delegated to the Executive.
- 2. To seek approval from Council to delegate this power to Cabinet with effect from 2014/15.

Background

- 3. Section 33 of the Local Government Act 1992 requires each billing authority to calculate the Council Tax Base each year. The Local Authorities (Calculation of Council Tax Base)(Wales) Regulations 1995, as amended, contain rules for this calculation, which in essence, are as follows:
 - a) Determine the number of chargeable dwellings in each valuation band, taking account of exemptions and anticipated changes during the year.
 - Adjust the numbers in each band to take account of the disablement reductions.
 - c) Allow for discounts in respect of unoccupied properties and those occupied by one person only.
 - d) Weight the adjusted total for each band to equate it to band D.
 - e) Repeat the calculation for each of the six Community Councils that issue precepts.

Issues

4. The Council tax base calculation is a complex annual exercise that is used by the Welsh Government for the distribution of Revenue Support Grant. It is also used by the Council for calculating the council tax charges for each year. Appendices A to G set out the detailed calculation. As the Appendices are in a format prescribed by WG the following points explain the details included in those Appendices.

- The number of domestic dwellings in the valuation list in force at the 31st October is used and adjusted to take account of anticipated new properties, demolitions, appeals and exemptions which is represented as chargeable dwellings (line A1 Appendix A).
- Properties in receipt of disablement relief receive a reduction of 1 band in their amount payable. Lines A2 and A3 reflect these adjustments. For example the number of properties in band B (at line A1) amounting to 16446 is reduced by 87 for those that will receive the 1 band reduction and increased by 315 for those properties coming down from band C. This gives a new total of 16674.
- An estimate of the number of single person discounts (B2) and empty property discounts (B3) are also taken into account in the calculation. Line C1 represents the total number of equated single person discounts (25% discount each). This total is then divided by 4 to convert to assumed full properties and deducted from line A3 to reach the weighted total in line C2.
- To convert the total in each band to a band D equivalent the appropriate ratio as set out in line C3 is applied to reach the total band D equivalents in C4.
- 5. The total band D equivalent properties calculated are then adjusted to take account of the estimated collection rate, as well as any contributions in respect of M.o.D. properties, as follows: -

2013/14		2014/15
141,177.44	 a) Total Discounted chargeable dwellings: band D equivalent 	141,252.98
97.7%	b) Estimated Collection Rate	98.2%
137,930.36	a) x b)	138,710.43
48.55	M.o.D. exempt dwellings : band D equivalent	48.55
137,978.91		138,758.98
(137,979)		(138,759)

The table above shows an increase in the Council Tax Base of 780 properties at band D equivalent.

6. It is proposed to increase the ultimate collection rate from 97.7% to 98.2% to reflect the fact that the Council Tax Reduction Scheme will continue in 2014/15 to base liability on 100% of the debt. This means that households previously in receipt of 100% support will continue to

receive the same level of support and the number of low value bills should not increase, thus removing the previously additional pressure envisaged on the collection rate. It should be noted that this position may change in 2015/16 and will need to be kept under review.

Schedule of precept payments

- 7. Regulations require that by 31 December each year the Council inform each of its precepting authorities of the proposed dates of monthly precept payments in the following year and determines a payments schedule by 31 January.
- 8. Currently instalment payments to the South Wales Police Authority are paid on the last working day of each month and to the Community Councils on 1 April, and it is recommended that these arrangements should continue for 2014/2015.

Reasons for Recommendations

- 9. It is a statutory obligation for the Council to agree its council tax base annually and this figure is used for council tax setting.
- 10. To delegate the decision making authority to Cabinet in future years.

Legal Implications

- 11. The council tax base is essentially the constituency of council tax payers having regard to the fact that some persons will be entitled to reductions in council tax and others will be eligible for exemptions from payment. The council tax base is calculated in accordance with a complicated formula laid down in the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended.
- 12. The central provision is regulation 3, which provides that the council tax base is calculated by multiplying the total of the 'relevant amounts' by the authority's estimate of its collection rate for the year. It is therefore necessary to identify both the 'relevant amount' and the 'collection rate'.
- 13. Regulation 3 of the Local Authorities (Calculation of Council Tax Base) and the Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2000 inserts a new regulation 5A into the 1995 Regulations. This provides for the calculation of "the relevant amounts" by a billing authority for financial years beginning on or after 1 April 2005. The relevant amount for each council tax band is a measure of the number of dwellings in that band after taking account of exempt dwellings and discounts.
- 14. The 'relevant amount' is the maximum sum which the authority would recover in respect of the dwellings in the particular band. However, the regulations anticipate that this will not always be the case. Thus in order to ascertain the council tax base, it is necessary to determine the collection rate. This is governed by regulation 3 of the 1995 Regulations.

The Council must estimate its collection rate for the financial year by estimating the aggregate of the amounts in respect of Council tax for the year which are likely to be paid to the Council expressed as a proportion of its estimate of the total of such amounts which are payable to the Council taking into account certain discounts. In order to calculate the council tax base, the authority then adds up the total of the relevant amounts previously calculated and multiplies this by the estimate of the collection rate. This leaves the 'council tax base'. The sum which the authority has calculated must be raised locally and is then divided by the Council tax base figure to give the 'basic amount of council tax' as defined in section 33 of the Local Government Finance Act 1992.

- 15. The relevant day for the financial year commencing 1 April 2014 will be 31st October 2013.
- 16. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.
- 17. The following function is designated by the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007 as being a "local choice function".

Functions in respect of the calculation of council tax base in accordance with any of the following—

- (a) the determination of an item for T in section 33(1) and 44(1) of the Local Government Finance Act 1992;
- (b) the determination of an amount for item TP in sections 34(3), 45(3) 48(3) and 48(4) of the Local Government Finance Act 1992;
- (c) the determination of an amount required for determining an amount for the item mentioned in paragraph (a) or (b) above.

A local choice function is a power of the authority that may, (but need not be) determined to be a function of the Authority's executive. Section 3 of the Council's scheme of delegations sets out to which body each local choice function is allocated. This particular local choice function is currently the responsibility of full Council.

In order to streamline the process of the setting of Council Tax rates it is proposed that this local choice function be designated as a Cabinet Responsibility.

Financial Implications

- 18. The council tax base will be used to set the specific council tax charges for 2014/15 when the budget is approved. There are a large number of variables that are included in this calculation such as new properties, demolitions, effect of appeals, changes to discounts and exemptions and it is important to ensure that the resulting estimate of properties is as accurate as possible. A small percentage variance could result in a large difference against the budget. The tax base calculation is also used by the Welsh Government for the determination of the distribution of Revenue Support Grant. The final settlement from the Welsh Government in December 2013 will be updated for the redistribution impact of these figures across Wales.
- 19. The increase in the tax base as set out in this report is estimated to generate an additional £871,915 in 2014/15 without raising the actual rate of tax. Of this sum £141,398 represents the extra revenue for the Police and Crime Commissioner for South Wales whilst Cardiff Council will receive an extra £730,517.

CABINET PROPOSAL

Council is recommended to approve the following resolutions: -

- (1) the calculation of the Council's tax base for the year 2014/2015 be approved;
- (2) that pursuant to this report and in accordance with the Local Authorities (Calculation of Tax Base) (Wales) Regulations 1995, as amended, the amount calculated by Cardiff Council as its council tax base for the year 2014/2015 shall be 138,759;
- (3) that pursuant to this report and in accordance with the Local Authorities (Calculation of Tax Base) (Wales) Regulations 1995, as amended, the amounts calculated by the Council as the council tax base for the year 2014/2015 in the community areas subject to a precept shall be as follows: -

Lisvane	2260
Pentyrch	3131
Radyr	3588
St. Fagans	1183
Old St. Mellons	1256
Tongwynlais	804

(4) that the arrangements for the payment of precepts in 2014/2015 to the South Wales Police Authority be by equal instalments on the last working day of each month from April 2014 to March 2015 and the Community Councils be by one payment on 1 April 2014, be on the same basis as that used in 2013/2014 and the precepting authorities be advised accordingly.

(5) that the following local choice function be designated as an Executive function:

Functions in respect of the calculation of council tax base in accordance with any of the following—

- (a) the determination of an item for T in section 33(1) and 44(1) of the Local Government Finance Act 1992;
- (b) the determination of an amount for item TP in sections 34(3), 45(3) 48(3) and 48(4) of the Local Government Finance Act 1992;
- (c) the determination of an amount required for determining an amount for the item mentioned in paragraph (a) or (b) above.

and that the Monitoring Officer be instructed to amend the Constitution accordingly.

THE CABINET

9 December 2013

The following Appendices are attached:

Appendix A: Calculation of the council tax base for the City and County

of Cardiff

Appendices B-G: Calculation of the council tax base for the 6 Community

Councils

CARDIFF COUNCIL COUNCIL TAX BASE CALCULATION FOR 2014-15

APPENDIX A

	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	
DESCRIPTION	A*	Α	В	С	D	E	F	G	Н	ı	TOTAL
Dwellings per V.O. listing	0	4,070	17,619	31,077	34,514	29,038	20,723	9,719	2,615	1,348	150,723
All Chargeable Dwellings (A1)	0	3,681	16,446	29,076	32,508	25,475	19,361	9,348	2,540	1,323	139,758
Disabled (A2)	0	8	87	315	402	385	355	201	48	58	1,859
Adjusted chargeable Dwellings (A3)	8	3,760	16,674	29,163	32,491	25,445	19,207	9,195	2,550	1,265	139,758
Dwellings with no discount (B1)	2	740	6,382	15,350	19,035	16,888	14,118	7,256	2,061	1,084	82,916
Dwellings with one discount (B2)	6	2,996	10,143	13,602	13,209	8,364	4,958	1,876	438	162	55,754
Dwellings with two discounts (B3)	0	24	149	211	247	193	131	63	51	19	1,088
Total number of discounts (C1)	6	3,044	10,441	14,024	13,703	8,750	5,220	2,002	540	200	
Weighted Total (C2)	6.50	2,999.00	14,063.75	25,657.00	29,065.25	23,257.50	17,902.00	8,694.50	2,415.00	1,215.00	
Band D Relation (C3)	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
Band D Equivalent (C4)	3.61	1,999.33	10,938.47	22,806.22	29,065.25	28,425.83	25,858.44	14,490.83	4,830.00	2,835.00	141,252.98

APPENDIX B

CARDIFF COUNCIL COUNCIL TAX BASE CALCULATION NOVEMBER 2013 LISVANE

	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	
DESCRIPTION	Α	В	С	D	E	F	G	H		TOTAL
Dwellings per V.O. listing (+ projections)	0	2	3	44	55	137	693	281	190	1,405
Exemptions	0	-1	-2	-4	-1	-3	-10	-5	-4	-30
Chargeable Dwellings	0	1	1	40	54	134	683	276	186	1,375
Disabled totals	О	0	0	0	0	3	9	4	1	17
Adjusted Total	0	1	1	40	57	140	678	273	185	1,375
Dwellings with two discounts	0	0	0	0	1	4	0	5	0	10
Dwellings with one discount	o	0	1	28	26	37	117	45	19	273
Dwellings with no discount	0	1	0	12	30	99	561	223	166	1,092
Total number of discounts	o	0	1	28	28	45	117	55	19	
Weighted Total	0.00	1.00	0.75	33.00	50.00	128.75	648.75	259.25	180.25	1,301.75
Band D Relation	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
Band D Equivalent	0.00	0.78	0.67	33.00	61.11	185.97	1,081.25	518.50	420.58	2,301.86
Estimated Collection Rate										98.2%
Tax Base										2,260.43

APPENDIX C

CARDIFF COUNCIL COUNCIL TAX BASE CALCULATION NOVEMBER 2013

PENTYRCH

	BAND		BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	
DESCRIPTION	A*	BAND A	В	С	D	E	F	G	Н		TOTAL
Dwellings per V.O. listing (+ projections)	0	2	82	241	322	377	839	397	151	85	2,496
Exemptions	0	0	-4	-10	-3	-5	-6	-2	0	-2	-32
Chargeable Dwellings	0	2	78	231	319	372	833	395	151	83	2,464
Disabled	0	0	О	0	7	2	13	5	1	1	29
Adjusted Total	0	2	78	238	314	383	825	391	151	82	2,464
Dwellings with two discounts	0	0	3	2	2	0	1	5	2	1	16
Dwellings with one discount	0	0	50	132	119	106	165	51	15	5	643
Dwellings with no discount	0	2	25	104	193	277	659	335	134	76	1,805
Total number of discounts	0	0	56	136	123	106	167	61	19	7	
Weighted Total	0.00	2.00	64.00	204.00	283.25	356.50	783.25	375.75	146.25	80.25	2,295.25
Band D Relation	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
Band D Equivalent	0.00	1.33	49.78	181.33	283.25	435.72	1,131.36	626.25	292.50	187.25	3,188.77
Estimated Collection Rate											98.2%
Tax Base											3,131.37

APPENDIX D

CARDIFF COUNCIL COUNCIL TAX BASE CALCULATION NOVEMBER 2013

RADYR

	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	
DESCRIPTION	Α	В	С	D	E	F	G	Н		TOTAL
Dwellings per V.O. listing (+ projections)	0	8	92	335	451	819	745	186	87	2,723
Exemptions	o	-1	-9	-7	-7	-13	-12	-2	-1	-52
Chargeable Dwellings	0	7	83	328	444	806	733	184	86	2,671
Disabled	0	o	0	3	6	8	10	3	1	31
Adjusted Total	0	7	86	331	446	808	726	182	85	2,671
Dwellings with two discounts	0	0	2	5	5	3	1	1	1	18
Dwellings with one discount	0	3	53	161	167	185	106	22	10	707
Dwellings with no discount	0	4	31	165	274	620	619	159	74	1,946
Total number of discounts	0	3	57	171	177	191	108	24	12	
Weighted Total	0.00	6.25	71.75	288.25	401.75	760.25	699.00	176.00	82.00	2,485.25
Band D Relation	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
Band D Equivalent	0.00	4.86	63.78	288.25	491.03	1,098.14	1,165.00	352.00	191.33	3,654.39
Estimated Collection Rate						(q				98.2%
Tax Base										3,588.61

APPENDIX E

CARDIFF COUNCIL COUNCIL TAX BASE CALCULATION NOVEMBER 2013

ST. FAGANS

		BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	
DESCRIPTION	BAND A	В	С	D	Е	F	G	Н	I	TOTAL
Dwellings per V.O. listing (+ projections)	0	2	67	144	221	174	177	93	43	921
Exemptions	o	-1	0	-2	-5	-3	-2	-2	-1	-16
Chargeable Dwellings	0	1	67	142	216	171	175	91	42	905
Disabled	o	0	0	3	4	3	3	2	0	15
Adjusted Total	0	1	70	143	215	171	174	89	42	905
Dwellings with two discounts	0	0	0	2	3	0	2	3	1	11
Dwellings with one discount	0	1	36	40	50	42	24	11	6	210
Dwellings with no discount	0	0	34	101	162	129	148	75	35	684
Total number of discounts	0	1	36	44	56	42	28	17	8	
Weighted Total	0.00	0.75	61.00	132.00	201.00	160.50	167.00	84.75	40.00	847.00
Band D Relation	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
Band D Equivalent	0.00	0.58	54.22	132.00	245.67	231.83	278.33	169.50	93.33	1,205.46
Estimated Collection Rate										98.2%
Tax Base				Y.						1,183.76

APPENDIX F

CARDIFF COUNCIL COUNCIL TAX BASE CALCULATION NOVEMBER 2013 OLD ST. MELLONS

	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	
DESCRIPTION	A*	Α	В	С	D	E	F	G	H	1	TOTAL
Dwellings per V.O. listing (+ projections)	0	83	99	150	201	141	213	119	70	52	1,128
Exemptions	О	-2	-1	-4	-1	-1	-1	-4	-1	-1	-16
Chargeable Dwellings	О	81	98	146	200	140	212	115	69	51	1,112
Disabled	o	1	0	1	2	1	4	2	0	0	11
Adjusted Total	. 1	80	99	147	199	143	210	113	69	51	1,112
Dwellings with two discounts	o	10	0	1	1	1	1	3	1	4	22
Dwellings with one discount	1	51	59	61	65	34	37	19	8	9	344
Dwellings with no discount	o	19	40	85	133	108	172	91	60	38	746
Total number of discounts	1	71	59	63	67	36	39	25	10	17	
Weighted Total	0.75	62.25	84.25	131.25	182.25	134.00	200.25	106.75	66.50	46.75	1,015.00
Band D Relation	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
Band D Equivalent	0.42	41.50	65.53	116.67	182.25	163.78	289.25	177.92	133.00	109.08	1,279.40
Estimated Collection Rate											98.2%
Tax Base											1,256.37

APPENDIX G

CARDIFF COUNCIL COUNCIL TAX BASE CALCULATION NOVEMBER 2013

TONGWYNLAIS

	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	BAND	
DESCRIPTION	A*	Α	В	С	D	E	F	G	Н	1	TOTAL
Dwellings per V.O. listing (+ projections)	0	1	111	166	197	195	88	46	5	9	818
Exemptions	0	0	0	-1	-5	-4	0	0	0	0	-10
Chargeable Dwellings	0	1	111	165	192	191	88	46	5	9	808
Disabled	0	0	1	1	4	5	0	2	0	_ 1	14
Adjusted Total	0	2	111	168	193	186	90	44	6	8	808
Dwellings with two discounts	0	1	1	3	1	0	1	1	О	0	8
Dwellings with one discount	o	1	63	73	59	53	15	6	0	1	271
Dwellings with no discount	0	0	47	92	133	133	74	37	6	7	529
Total number of discounts	_ 0	3	65	79	61	53	17	8	0	1	
Weighted Total	0.00	1.25	94.75	148.25	177.75	172.75	85.75	42.00	6.00	7.75	736.25
Band D Relation	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
Band D Equivalent	0.00	0.83	73.69	131.78	177.75	211.14	123.86	70.00	12.00	18.08	819.13
Estimated Collection Rate											98.2%
Tax Base											804.39