

Appendix A

1.0 SETTING THE COUNCIL TAX FOR 2015/16

1.1 Background.

At the Council meeting on the 03 February 2015 members considered and approved Cabinet's budget proposals and resulting impact on Council Tax for next financial year.

The main features of the proposal included:

- A cash reduction in the Council's revenue settlement from Welsh Government of 3.6%.
- An increase in Welsh Government general capital funding of 0.06%.
- The provision of additional resources for the impact of some inflationary pressures.
- Protection of schools.
- A budget gap of £8.3m met by savings of £7.4m, use of balances and increased funding.
- Investment of £0.5m in priority areas.
- Use of £500k general balances

1.2 Section 151 Officer's statement

In accordance with the requirements of the Local Government Act 2003 the observations of the Section 151 Officer on the budget for 2015/16 are required to be presented to members.

a) Robustness of Budget Estimates

The budget proposals for 2015/16 contain a level of financial estimates. This is due to the uncertainty around the future impact upon the Council of current economic events. A considered view has been taken on the level of funding that services require and on the amount and timing of savings. The requirement to make £7.4m of savings is clearly a risk to the Council as it follows on from £7.1m of agreed savings made in 2014/15. However, the process has been thorough and robust and proposals have been reviewed several times by Officers and Councillors. The budget depends upon the delivery of the proposed savings which will also be closely monitored and reported regularly to Cabinet.

I consider the budget proposals for 2015/16 to be sensible and robust.

b) Adequacy of Reserves

The level of general balances is stable and I consider they are broadly appropriate given the financial risks that the council faces. Adequate general balances are vital to protect the Council from unforeseen problems

or in-year emergencies. The 2015/16 budget has been set using £500k of general balances with agreement to use the same amount for the following two years. This is sustainable as a medium term measure but is not a permanent solution to funding a gap in the budget.

1.3 In adopting the resolutions of the Council meeting of the 3 February 2015 it will be necessary for the Council to pass certain further resolutions in a particular form so as to ensure that the Council Tax and its associated matters are legally valid. I attach a copy of the required resolutions and request that these be approved.

1.3 The average percentage increase for Council Tax bills (based on Band D) payable is:

- County Council increase 2.75%
- Town / Community Councils average increase 10.68%
- Police & Crime Commissioner for North Wales increase 3.44%

2.0 COUNCIL TAX RESOLUTION

It is necessary for the County Council, as the Billing Authority, to consider the precepts received from the Police & Crime Commissioner for North Wales *and* the Town/Community Councils and declare the Council Tax levels for the 2015/16 financial year.

2.1 TOWN/COMMUNITY COUNCILS – PRECEPTS

The following precepts have been received:-

	2015/16	2014/15
	£	£
Aberwheeler	2,800	2,300
Betws Gwerfil Goch	2,383	2,322
Bodelwyddan	54,800	54,800
Bodfari	3,075	3,075
Bryneglwys	5,700	5,700
Cefn Meiriadog	3,456	3,456
Clocaenog	3,600	3,600
Corwen	29,000	29,000
Cyffylliog	5,700	5,625
Cynwyd	3,432	3,072
Denbigh	188,499	184,464
Derwen	6,000	6,000
Dyserth	31,200	30,000
Efenechtyd	4,047	4,020
Gwyddelwern	3,488	3,456
Henllan	7,400	6,696
Llanarmon yn Ial	14,500	14,500

Llanbedr D C	5,000	5,000
Llandegla	6,000	6,000
Llandrillo	5,882	5,274
Llandyrnog	10,217	10,066
Llanelidan	3,486	3,375
Llanfair D C	6,000	4,900
Llanferres	8,073	7,995
Llangollen Town	88,845	87,800
Llangynhafal	1,500	1,500
Llanrhaeadr Y C	11,928	11,784
Llantysilio	9,100	8,500
Llanynys	8,088	7,896
Nantglyn	5,000	5,000
Prestatyn	453,765	360,080
Rhuddlan	55,000	50,000
Rhyl (1)	491,346	415,140
Ruthin	124,300	129,225
St. Asaph	56,157	54,210
Trefnant	4,668	4,668
Tremeirchion/Cwm/Waen	9,750	9,750
Total	1,733,185	1,550,249

3.0 DENBIGHSHIRE COUNTY COUNCIL/TOWN AND COMMUNITY COUNCILS - INCOME AND EXPENDITURE

It is recommended that the amounts calculated by the Council for the 2015/16 financial year, in accordance with Sections 32 to 34 (1) of the Local Government Finance Act 1992 (the Act) and Alteration of Requisite Calculations (Wales) Regulations 2008 be as follows:-

	£
(a) The aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act.	284,935,361
(b) The aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act.	98,446,176
(c) The amount by which the aggregate of Section 32 (2) above, exceeds the aggregate of Section 32 (3) above, calculated in accordance with Section 32 (4) of the Act, as its budget requirement for the year.	186,489,185

- (d) The aggregate amount which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant less cost of discretionary non-domestic rate reliefs. 140,508,869
- (e) The amount at (c) above less the amount at (d) above, divided by council tax base for the year, 38,738, calculated by the Council in accordance with Section 33 (1) of the Act, (i.e. basic amount Council Tax). 1,186.96
- (f) The aggregate amount of all special items referred to in Section 34 (1) of the Act (Town/Community Council Precepts). 1,733,185
- (g) The amount at (e) above less the result given by dividing the amount at (f) above by the council tax base, 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 items relate. 1,142.22

4.0 DENBIGHSHIRE COUNTY COUNCIL/TOWN AND COMMUNITY COUNCILS - COUNCIL TAX

It is recommended that the amounts calculated by the Council for the 2015/16 financial year, in accordance with Sections 34 (2) to 36 (1) of the Local Government Finance Act 1992 (the Act) be as follows:-

(a) the amounts calculated in accordance with Sections 34 (2) and (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in part of the Council's area :-

COUNCIL TAX 2015/16 BAND 'D'

<u>Community</u>	<u>County Council</u>	<u>Community Precept</u>	<u>Total</u>
	£	£	£
Aberwheeler	1142.22	16.00	1158.22
Betws G G	1142.22	14.71	1156.93
Bodelwyddan	1142.22	64.62	1206.84
Bodfari	1142.22	15.30	1157.52
Bryneglwys	1142.22	32.76	1174.98
Cefn Meiriadog	1142.22	16.95	1159.17
Clocaenog	1142.22	29.96	1172.18
Corwen	1142.22	29.74	1171.96

Cyffylliog	1142.22	25.05	1167.27
Cynwyd	1142.22	13.00	1155.22
Denbigh	1142.22	57.00	1199.22
Derwen	1142.22	26.26	1168.48
Dyserth	1142.22	30.46	1172.68
Efenechtyd	1142.22	13.97	1156.19
Gwyddelwern	1142.22	16.02	1158.24
Henllan	1142.22	19.98	1162.20
Llanarmon yn Ial	1142.22	25.16	1167.38
Llanbedr D C	1142.22	10.60	1152.82
Llandegla	1142.22	20.58	1162.80
Llandrillo	1142.22	19.33	1161.55
Llandyrnog	1142.22	21.21	1163.43
Llanelidan	1142.22	20.94	1163.16
Llanfair D C	1142.22	10.69	1152.91
Llanferres	1142.22	20.24	1162.46
Llangollen Town	1142.22	51.42	1193.64
Llangynhafal	1142.22	4.55	1146.77
Llanrhaeadr Y C	1142.22	23.98	1166.20
Llantysilio	1142.22	35.67	1177.89
Llanynys	1142.22	24.01	1166.23
Nantglyn	1142.22	30.58	1172.80
Prestatyn	1142.22	59.84	1202.06
Rhuddlan	1142.22	35.36	1177.58
Rhyl	1142.22	53.69	1195.91
Ruthin	1142.22	52.38	1194.60
St. Asaph	1142.22	40.18	1182.40
Trefnant	1142.22	7.00	1149.22
Tremeirchion/ Cwm/Waen	1142.22	14.77	1156.99

- (b) The amounts calculated in accordance with Section 36 (1) of the Act as the amounts to be taken into account for the year in respect of dwellings listed in different valuation bands. (Appendix B)

5.0 Police & Crime Commissioner for North Wales - PRECEPT

The precept for the Police & Crime Commissioner for North Wales for 2015/16 is £9,120,557

In accordance with Section 40 of the Local Government Finance Act 1992, it is noted that the amounts applicable for the year in respect of dwellings listed in different valuation bands are as follows :-

Valuation Bands

A	B	C	D	E	F	G	H	I
£	£	£	£	£	£	£	£	£
156.96	183.12	209.28	235.44	287.76	340.08	392.40	470.88	549.36

6.0 AGGREGATE COUNCIL TAX – 2015/16 (including Police & Crime Commissioner for North Wales)

Having calculated the aggregates in each case of the amounts at 4.0 and 5.0 above in accordance with Section 30 (2) of the Local Government Finance Act 1992, it is

RECOMMENDED

That the amounts of Council Tax for the 2015/16 financial year for each of the categories of dwellings be as shown in Appendix C.

7.0 PRESCRIBED CLASS OF DWELLINGS - THE COUNCIL TAX (PRESCRIBED CLASS OF DWELLINGS) (WALES) REGULATIONS 1998 - SI 1998/105 AS AMENDED BY PRESCRIBED CLASS OF DWELLINGS - THE COUNCIL TAX (PRESCRIBED CLASS OF DWELLINGS) (WALES) (AMENDMENT) REGULATIONS 2004

7.1 In Wales, Section 12 of the Local Government Finance Act 1992 creates a special class of property (prescribed class of dwellings) which allows a local billing authority to use its discretion in determining the level of discount to be awarded. If a dwelling meets certain criteria, then a billing authority can set the level of discount at either 25% or zero (i.e. no discount) for classes A & B, 50% or zero for class C.

7.2 The Council Tax (Prescribed Class of Dwellings)(Wales) Regulations 1998 as amended 2004, has with effect from 1st April, 2004 designated three classes of prescribed dwellings.

The classes are:-

Class A.

- a. A dwelling which is not the sole or main residence of an individual.
- b. Dwelling which is furnished.
- c. Occupation of the dwelling is prohibited by law for a continuous period of at least 28 days in the relevant year.
- d. Dwelling is not a mooring occupied by a boat or pitch occupied by a caravan.
- e. Dwelling is unoccupied and is managed by a personal representative in relation to the administration of a deceased person.

Class B

- a. A dwelling which is not the sole or main residence of an individual.
- b. Dwelling which is furnished.

- c. Occupation of the dwelling is not prohibited by law for a continuous period of at least 28 days in the relevant year.
- d. Dwelling is not a mooring occupied by a boat or pitch occupied by a caravan.
- e. Dwelling is unoccupied and is managed by a personal representative in relation to the administration of a deceased person.

Class C

- a. A dwelling which is unoccupied.
- b. A dwelling which is substantially unfurnished.

7.3 The difference between the classes A and B is the fact Class B has unrestricted occupation throughout 365 days a year whereas Class A is restricted to a maximum of 11 months occupation in a year. E.g. planning restriction as commonly applied to holiday chalets.

7.4 The main type of property covered by these regulations relate to furnished dwellings and not someone's sole or main residence e.g. second homes.

7.5 Class C was introduced to end the Council Tax discount for chargeable dwellings which are unoccupied and substantially unfurnished for periods greater than 6 months.

This allows the Authority to levy a full charge once the initial 6 month exemption period expires; this benefits Denbighshire residents in that

- a. The property owner would be contributing a full charge
- b. There is a financial incentive to the owner to occupy the property leading to.
 - The potential of increasing accommodation availability
 - The reduction in the number of empty properties in communities

7.6 In the year 2009/2010 the Council resolved not to award a discount to Class A, B or C for the remaining term of the Council with the caveat that this was dependant on, no changes to Legislation or local conditions. The purpose of this resolution enabled consistency in the calculation of the Tax Base, a shorter report and the reduction in the volumes of paper produced.

7.7 **IT IS RECOMMENDED**

That the level of discount for Class A, B, and C as prescribed under the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 2004 be set at zero for the financial years 2015/16 and 2016/17 being the term of this Council with the caveat that this is dependent on, no changes to Legislation or local conditions.