

Appendix A

1.0 SETTING THE COUNCIL TAX FOR 2016/17

1.1 Background.

At the Council meeting on the 26 January 2016 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 provisional Local Government revenue settlement from Welsh Government of 1.2%.
- An increase in Welsh Government general capital funding of 0.43%.
- The provision of additional resources for the impact of some inflationary pressures.
- An increase in funding to schools to meet the national level of protection of +1.85%.
- Inflationary pressures and reduction in revenue settlement met by savings of £5.2m, use of balances and increased Council Tax funding.
- Investment of £0.25m in priority areas.
- Establishment of a one-year budget delivery contingency of £480k to mitigate the risks to the delivery of the budget.
- 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 2016/17 are required to be presented to members.

a) Robustness of Budget Estimates

The budget proposals for 2016/17 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 £5.2m of savings is clearly a risk to the Council as it follows on from £7.3m of agreed savings made in 2015/16. 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. The Final Local Government Settlement will not be published until 2nd March 2016 and the final Welsh Government budget will not be put before the Senedd until 8th March therefore all councils are having to set budgets and Council Tax based on a provisional settlement. Whilst there is a legal provision to allow this, there is a risk that if, for example, revenue grant streams are transferred

into the Revenue Support Grant between the provisional and final settlements, there could be a financial adjustment to the final settlement and it is therefore prudent to have a buffer to be able to absorb this without affecting the tax base.

I consider the budget proposals for 2016/17 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 2016/17 budget has been set using £500k of general balances, if required, with agreement to use the same amount for the following year. This was agreed as part of the budget for 2015/16 and is sustainable as a medium term measure but is not a permanent solution to funding a gap in the budget.

In adopting the resolutions of the Council meeting of the 26 January 2016 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 1.5%
- Town / Community Councils average increase 1.2%
- Police & Crime Commissioner for North Wales increase 2.0%

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 2016/17 financial year.

2.1 TOWN/COMMUNITY COUNCILS – PRECEPTS

The following precepts have been received:-

	2016/17 £	2015/16 £
Aberwheeler	2,800	2,800
Betws Gwerfil Goch	2,796	2,383
Bodelwyddan	54,800	54,800
Bodfari	3,075	3,075

Bryneglwys	5,700	5,700
Cefn Meiriadog	3,456	3,456
Clocaenog	3,690	3,600
Corwen	34,000	29,000
Cyffylliog	6,006	5,700
Cynwyd	3,445	3,432
Denbigh	189,126	188,499
Derwen	6,006	6,000
Dyserth	34,500	31,200
Efenechtyd	4,380	4,047
Gwyddelwern	3,536	3,488
Henllan	8,250	7,400
Llanarmon yn Ial	18,000	14,500
Llanbedr D C	5,000	5,000
Llandegla	6,000	6,000
Llandrillo	5,883	5,882
Llandyrnog	10,372	10,217
Llanelidan	3,864	3,486
Llanfair D C	8,000	6,000
Llanferres	8,073	8,073
Llangollen Town	92,618	88,845
Llangynhafal	1,500	1,500
Llanrhaeadr Y C	11,976	11,928
Llantysilio	9,700	9,100
Llanynys	7,968	8,088
Nantglyn	5,100	5,000
Prestatyn	458,300	453,765
Rhuddlan	46,850	55,000
Rhyl	493,200	491,346
Ruthin	122,506	124,300
St. Asaph	60,130	56,157
Trefnant	9,663	4,668
Tremeirchion/Cwm/Waen	10,750	9,750
Total	1,761,019	1,733,185

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

It is recommended that the amounts calculated by the Council for the 2016/17 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.

£

287,013,532

(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.	100,196,513
(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.	186,817,019
(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.	139,971,248
(e)	The amount at (c) above less the amount at (d) above, divided by council tax base for the year, 38,888, calculated by the Council in accordance with Section 33 (1) of the Act, (i.e. basic amount Council Tax).	1,204.63
(f)	The aggregate amount of all special items referred to in Section 34 (1) of the Act (Town/Community Council Precepts).	1,761,019
(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.	1,159.35

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

It is recommended that the amounts calculated by the Council for the 2016/17 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 2016/17 BAND 'D'

<u>Community</u>	<u>County Council</u>	<u>Community Precept</u>	<u>Total</u>
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	£	£	£
Aberwheeler	1,159.35	15.91	1,175.26
Betws G G	1,159.35	17.70	1,177.05
Bodelwyddan	1,159.35	64.70	1,224.05
Bodfari	1,159.35	15.22	1,174.57
Bryneglwys	1,159.35	32.76	1,192.11
Cefn Meiriadog	1,159.35	17.28	1,176.63
Clocaenog	1,159.35	30.00	1,189.35
Corwen	1,159.35	34.69	1,194.04
Cyffylliog	1,159.35	26.00	1,185.35
Cynwyd	1,159.35	13.00	1,172.35
Denbigh	1,159.35	57.00	1,216.35
Derwen	1,159.35	26.00	1,185.35
Dyserth	1,159.35	33.14	1,192.49
Efenechtyd	1,159.35	14.95	1,174.30
Gwyddelwern	1,159.35	16.00	1,175.35
Henllan	1,159.35	22.00	1,181.35
Llanarmon yn Ial	1,159.35	30.82	1,190.17
Llanbedr D C	1,159.35	10.68	1,170.03
Llandegla	1,159.35	20.48	1,179.83
Llandrillo	1,159.35	19.74	1,179.09
Llandyrnog	1,159.35	21.25	1,180.60
Llanelidan	1,159.35	24.00	1,183.35
Llanfair D C	1,159.35	14.01	1,173.36
Llanferres	1,159.35	20.23	1,179.58
Llangollen Town	1,159.35	54.16	1,213.51
Llangynhafal	1,159.35	4.45	1,163.80
Llanrhaeadr Y C	1,159.35	24.00	1,183.35
Llantysilio	1,159.35	38.34	1,197.69
Llanynys	1,159.35	24.00	1,183.35
Nantglyn	1,159.35	30.72	1,190.07
Prestatyn	1,159.35	60.49	1,219.84
Rhuddlan	1,159.35	29.71	1,189.06
Rhyl	1,159.35	53.52	1,212.87
Ruthin	1,159.35	51.43	1,210.78
St. Asaph	1,159.35	42.49	1,201.84
Trefnant	1,159.35	14.49	1,173.84
Tremeirchion/ Cwm/Waen	1,159.35	16.26	1,175.61

- (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 2016/17 is £9,337,681

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
£	£	£	£	£	£	£	£	£
160.08	186.76	213.44	240.12	293.48	346.84	400.20	480.24	560.28

6.0 AGGREGATE COUNCIL TAX – 2016/17 (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 2016/17 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 year 2016/17 being the term of this Council with the caveat that this is dependent on, no changes to Legislation or local conditions.