

Appendix A

1.0 SETTING THE COUNCIL TAX FOR 2023/24

1.1 Background.

At the Council meeting on the 31 January 2023 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 positive settlement of +8.2% in the Council's Local Government revenue from Welsh Government.
- A reduction in Welsh Government general capital funding of 9.6%.
- The provision of additional resources for the impact of inflationary pressures.
 - Pay pressures (including net impact of decrease in National Insurance) of £3.269m
 - Price and energy inflation of £2.897m
 - Fire Service Charge of £535k
 - Allowance for increase in Council Tax Reduction Scheme of £350k
 - Increase in insurance costs relating to impact of inflation of £150k
- An increase in funding to schools of £4.246m.
- The provision of £8.187m to recognise demand pressures and forecasts in Community Support Services as part of the council's long term strategy to manage care budgets as well as recognising the agenda to ensure all care staff are paid the Real Living Wage.
- £2.700m to recognise existing pressures in Education and Children's Services relating to Out of County Placements and Recoupment.
- Further pressures of £1.000m within School Transport have been recognised.
- Investment in priorities amounting to £0.500m:
 - Further investment in Carbon Zero Project of £0.134m
 - £0.235m increase to the Capital Finance Budget to support increased investment in the Highways Capital Programme
 - £0.131m to start to fund capital projects in year (e.g. those that were brought forward by the Horizon Scanning exercise or that came out of the new Capital Plan)
- Service non-strategic pressures of £1.282m
- The following savings were also agreed in order to help bridge the funding gap:
 - There are savings in the Capital Financing Budget and Corporate Contingencies amounting to £2.267m.
 - Savings relating to the impact of the triennial actuarial review of the Clwyd Pension Fund of £3.828m.

- The savings from bringing the Revenues and Benefits Service back in house are now confirmed and a further £300k can be released.
- Services were asked to identify 1% savings/efficiencies and were able to identify £961k of savings.
- Schools were also asked to plan for 1% efficiencies which amount to £816k.
- Council Tax increase of 3.8% was proposed and agreed
- Council also delegated authority to the Head of Finance and Property in consultation with the Lead Member for Finance to adjust the use of cash included in the budget proposals by up to £500k if there is movement between the draft and final settlement figures in order to allow the setting of Council Tax in a timely manner.

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 2023/24 are required to be presented to members.

a) Robustness of Budget Estimates

The budget proposals for 2023/24 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 efficiency savings.

I consider the budget proposals for 2023/24 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.

In adopting the resolutions of the Council meeting of the 31 January 2023 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 increase for Council Tax bills (based on Band D) payable is:

	2022/23 £	2023/24 £	Increase %
Denbighshire County Council	1,479.16	1,535.35	3.80
Police & Crime Commissioner for North Wales	316.80	333.09	5.14
Town/Community Councils (Average)	57.49	59.40	3.33
Total	1,853.45	1,927.84	4.01

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 2023/24 financial year.

2.1 TOWN/COMMUNITY COUNCILS – PRECEPTS

The following precepts have been received:-

	2022/23 £	2023/24 £
Aberwheeler	3,750	4,500
Betws Gwerfil Goch	3,112	3,132
Bodelwyddan	40,000	45,000
Bodfari	7,400	8,500
Bryneglwys	6,255	6,195
Cefn Meiriadog	6,720	7,104
Clocaenog	6,320	6,320
Corwen	100,463	118,300
Cyffylliog	12,270	12,270
Cynwyd	4,986	4,986
Denbigh	230,208	233,442
Derwen	6,000	7,170
Dyserth	48,500	48,500
Efenechtyd	7,626	7,626
Gwyddelwern	4,050	3,584
Henllan	16,128	16,422
Llanarmon yn Ial	22,440	22,440
Llanbedr D C	20,160	20,160
Llandegla	9,984	9,984
Llandrillo	6,613	7,945
Llandyrnog	11,222	11,784
Llanelidan	6,048	6,048
Llanfair D C	30,000	30,000
Llanferres	18,500	19,250
Llangollen Town	149,900	155,677
Llangynhafal	6,500	5,000

Llanrhaeadr Y C	15,840	17,490
Llantysilio	10,929	11,640
Llanynys	8,856	9,000
Nantglyn	6,138	6,483
Prestatyn	494,622	497,299
Rhuddlan	169,280	183,039
Rhyl	552,383	555,954
Ruthin	160,132	164,775
St. Asaph	109,736	139,902
Trefnant	5,255	5,255
Tremeirchion/Cwm/Waen	18,000	18,500
Total	2,336,326	2,430,676

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

It is recommended that the amounts calculated by the Council for the 2023/24 financial year, in accordance with Sections 32 to 36 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.	356,367,678
(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.	103,297,002
(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.	253,070,676
(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.	187,811,457
(e) The amount at (c) above less the amount at (d) above, divided by council tax base for the year, 40,642.01, calculated by the Council in accordance with Section 33 (1) of the Act, (i.e. basic amount Council Tax).	1,594.75
(f) The aggregate amount of all special items referred to in Section 34 (1) of the Act (Town/Community Council Precepts).	2,430,676

- (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. 1,535.35

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

It is recommended that the amounts calculated by the Council for the 2023/24 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 2023/24 BAND 'D'

<u>Community</u>	<u>County Council</u>	<u>Community Precept</u>	<u>Total</u>
	£	£	£
Aberwheeler	1,535.35	25.14	1,560.49
Betws G G	1,535.35	19.95	1,555.30
Bodelwyddan	1,535.35	52.82	1,588.17
Bodfari	1,535.35	40.48	1,575.83
Bryneglwys	1,535.35	35.00	1,570.35
Cefn Meiriadog	1,535.35	35.00	1,570.35
Clocaenog	1,535.35	50.97	1,586.32
Corwen	1,535.35	117.13	1,652.48
Cyffylliog	1,535.35	51.99	1,587.34
Cynwyd	1,535.35	17.13	1,552.48
Denbigh	1,535.35	66.00	1,601.35
Derwen	1,535.35	30.00	1,565.35
Dyserth	1,535.35	41.92	1,577.27
Efenechtyd	1,535.35	26.12	1,561.47
Gwyddelwern	1,535.35	16.00	1,551.35
Henllan	1,535.35	42.00	1,577.35
Llanarmon yn Ial	1,535.35	37.84	1,573.19
Llanbedr D C	1,535.35	40.08	1,575.43
Llandegla	1,535.35	31.50	1,566.85
Llandrillo	1,535.35	24.83	1,560.18
Llandyrnog	1,535.35	22.45	1,557.80
Llanelidan	1,535.35	35.79	1,571.14
Llanfair D C	1,535.35	46.66	1,582.01
Llanferres	1,535.35	46.95	1,582.30

Llangollen Town	1,535.35	83.16	1,618.51
Llangynhafal	1,535.35	14.37	1,549.72
Llanrhaeadr Y C	1,535.35	33.00	1,568.35
Llantysilio	1,535.35	46.01	1,581.36
Llanynys	1,535.35	24.59	1,559.94
Nantglyn	1,535.35	38.82	1,574.17
Prestatyn	1,535.35	63.74	1,599.09
Rhuddlan	1,535.35	106.48	1,641.83
Rhyl	1,535.35	57.85	1,593.20
Ruthin	1,535.35	65.65	1,601.00
St. Asaph	1,535.35	90.26	1,625.61
Trefnant	1,535.35	6.94	1,542.29
Tremeirchion/ Cwm/Waen	1,535.35	27.33	1,562.68

- (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 2023/24 is £13,630,439.

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
£	£	£	£	£	£	£	£	£
222.06	259.07	296.08	333.09	407.11	481.13	555.15	666.18	777.21

6.0 AGGREGATE COUNCIL TAX – 2023/24 (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 2023/24 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.

Council Tax Premium

Section 139 of the Housing (Wales) Act 2014 allows for the Council to charge a premium of up to 300%.

It was decided to introduce a 50% premium at Council on the 4th December 2017. Therefore, unless there are exceptions to be applied in accordance with The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015, Council Tax shall be charged at a premium rate of 50% above the standard charge for properties defined as a 'Second Homes' or 'Long Term Empty' which has been empty for a continuous period of one year.

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 2023/24 being the term of this Council with the caveat that this is dependent on, no changes to Legislation or local conditions.

The Council Tax Premium continue for 2023/24 at a rate of 50% for both Long Term Empty properties and Second Homes.