



17th January 2018
Clerk's Report

Gelligaer Community Council
Cyngor Cymuned Gelligaer

Council Tax and Community Councils 2018/19

Precept 2018/19

Council is required to determine the level of precept for the financial year 2018/19

The Law

The law relating to the issue of Precepts by Town, Parish and Community Councils is covered by the Local Government Finance Act 1992 Section 41(4).

Calculation of Council Tax

All Council Tax is calculated in "Band D equivalents" because Band D is considered as the average. Caerphilly County Borough Council therefore count the number of properties in the area of Gelligaer Community Council and assesses the banding:

Band	All Properties	Exempt Properties	Total No. Rechargeable Properties (incl. new build estimate)	New Build Estimated (Rechargeable Properties)
A	751	28	723	0
B	3167	83	3098	14
C	1849	35	1829	15
D	1270	18	1263	11
E	798	12	788	2
F	169	8	162	1
G	39	4	35	0
H	3	1	2	0
I	1	0	1	0
Total	8047	189	7901	43

Caerphilly County Borough Council then calculates the number of Band D equivalents and bases their Council Tax calculations on that number. Counting and equivalencies are calculated at October 31st for the next year's tax.

Total dwellings Converted to Band D equivalents = 6,464.50

Collection rate 97%

Band D equivalents x collection rate = 6270.57

Therefore the Council tax base for the area of Gelligaer Community Council is **6270.57** Band D equivalent dwellings

Recent history

2017/18 increased by 1% to £14.63 per household (Band D) per annum giving the council a precept of £91,067

2016/17 - increased by 2.5% to £14.49 per household (Band D) per annum giving the council a precept of £89,841

2015/16 – increased by 3% to £14.14 per household (Band D) per annum giving the council a precept of £87,514

2014/15 - increased by 2.7% to £13.73 per household (Bands D) per annum giving the council a precept of £84,388

Budget Assumptions

The budget for 2018/19 has been prepared using the following assumptions:

- Pay award 2018/19 increase of 1% (actual)
- Retail Price Index (RPI) is currently at 3.9% (Dec 2017 Office for National Statistics) (RPI includes housing costs i.e. mortgage/rent/council tax and consumer items)
- Consumer Price Index (CPI) is currently at 3.1% (Dec 2017 Office for National Statistics) (CPI includes everything except housing costs)
The annual inflation rate more than doubled from 1.2% TO 3.1% in the past year – its highest since March 2012 – largely as a result of the fall in value of the pound following the EU referendum in June 2016.
- State Pension is protected and will rise again this year from April 2018 by 3%.

Property Development

The council tax base has increased slightly from **6224.70** (Band D equivalent dwellings) **in 2017/18** to **6270.57 in 2018/19** due to the continuing building development at Cwm Calon, Penallta, in the main.

The total number of new builds projected for 2018/19 is 51. But for the purpose of calculating the tax base this total is reduced. This is because not all new build properties will be on the Council Tax list for the full year, as some won't be completed until later in 2018/19, therefore we won't get a full years revenue from them.

Calculating Council Tax contributions to the Precept

To calculate how much Council Tax contributes to the Precept:

$$\frac{\text{Precept } \pounds}{\text{Band D equivalents}} = \text{the Band D Council Tax contribution per year}$$

Possible budget increases

An inflated budget is shown in Appendix 1 and assumes a 2% and 3% increase in precept.

However it is suggested that the members may wish to consider a range of increases, and for convenience a range of increases is shown below.

Increase	Band D Equivalent per property per annum £	Precept for 2018/19 £
0%	14.63 (currently)	91,738
1%	14.78	92,679
2%	14.92 (0.29p increase)	93,557
2.5%	15.00	94,059
3%	15.07 (0.44p increase)	94,497

How much does a rise in the Gelligaer Community Council precept affect Band D contributions?

If the precept were to remain as in 2017/18 at £91,067 for 2018/19, annual contributions for Band D equivalents would decrease by 0.11p, from £14.63 to £14.52 per annum.

If the annual contributions for Band D equivalents were to remain the same as in 2017-18 at £14.63, the Precept for 2018/19 to the Community Council would increase by £671.00 from £91,067 to £91,738.

Council is to consider the proposed budget when setting its annual precept.

A council resolution is required on the level of precept.

C Mortimer
Clerk to the Council
January 2018