

## **REPORT OF THE CABINET MEETING HELD ON MONDAY 14 DECEMBER 2015**

**Present:** Councillors Philippa Roe (Chairman), Heather Acton, Melvyn Caplan, Danny Chalkley, Tim Mitchell, Steve Summers and Rachael Robathan

### **1. COUNCIL TAX DISCOUNTS (INCLUDING COUNCIL TAX LOCAL REDUCTION SCHEME) AND COUNCIL TAX BASE REPORT**

- (a) The Local Government 2003 provides local authorities with discretion in relation to the level of Council Tax discount for specific categories of Council Tax properties, namely second homes and long term empty properties. It also makes provision for a local authority to set its own “local” Council Tax discount categories.
- (b) The Local Government Finance Act 2012, with effect from 2013/14, removed several Council Tax exemptions and replaced them with local determined discounts. The Act also enables local authorities to remove the previous statutory minimum 10% discount for second homes and to set a local long term empty premium. We are recommending that the Council Tax discount for empty and second homes remains at 0% and that an Empty Property Premium is not implemented.
- (c) The Welfare Reform Act 2012 and Local Government Finance Act 2012 replaced the previous Council Tax Benefit scheme with a locally determined Council Tax Reduction Scheme (also referred to as Council Tax Support scheme), which is effectively a new type of Council Tax discount. We also agreed that the current Council Tax Reduction scheme should continue in its current form in 2016/17. The scheme effectively mirrors the previous Council Tax Benefit scheme and will not result in the Government’s 10% benefit funding cut being passed onto the borough’s working age claimants. We are recommending that as previously introduced the Council agree a Council Tax Reduction Scheme for 2016/17 based on the Council Tax Reduction Schemes (Default Scheme) Regulations. We are also recommending again that War Disabled pensions, War Widows pensions and Armed Forces Compensation Scheme payments are disregarded in full when calculating a claimant’s income.
- (d) The Council Tax Base is calculated in accordance with a nationally prescribed formula and represents the equivalent number of Band D properties within the area. The formula takes account of the number of properties in each band, the number of discounts given for single occupiers, empty dwellings, second homes and other eligible criteria, the prescribed proportions to convert numbers to Band D equivalents and the estimated collection rate. The relevant regulations were changed for 2013/14 so that the tax base calculation includes a deduction for the equivalent number of Band D properties relating to the Council Tax Reduction Scheme. The Council Tax Base must be determined and be notified to the Greater London Authority (GLA) and the levying bodies. As in the past, these notifications must be made by 31 January.

- (e) The calculations as detailed in Appendices 1 and 2 of the report were considered which confirm a figure of 125,181.13 equivalent Band D properties for the whole city, 3,269.17 Band D equivalent properties for Queens Park and 95.04 Band D equivalent properties for Montpelier Square. The tax base calculation is based on the assumption that the recommendations in the report in relation to the level of Council Tax discounts and in relation to the Council Tax Resolution Scheme are adopted.
- (f) The parish of Queen's Park was created on 1 April 2014 under the Council's Reorganisation of Community Governance Order 2013. The Queen's Park Community Council was elected on 22 May 2014 and consequently became a new precepting authority for the purposes of Part 1 of the Local Government Finance Act 1992. The calculations in Appendix 1 and 2 of the report considered by us confirm a tax base for Queen's Park Parish Council of 3269.17 Band D equivalent properties.
- (g) The full report we considered is attached as Appendix A.

**We recommend:**

1. That the Council approve for the financial year 2016/17:
  - (i) that the Council Tax discount for second homes remains at 0%.
  - (ii) that the Council tax discounts for empty properties, including the discounts that replaced the previous Class A and C Council Tax exemptions remains at 0%.
  - (iii) that a long term empty property premium is not introduced.
  - (iv) that no new "local" discounts be introduced at this stage.
  - (v) that the Head of Revenues and Benefits determines any individual local discount applications from vulnerable Council Taxpayers received during the course of the 2016/17 financial year.
2. That the Council approve the same Council Tax Reduction Scheme for 2016/17 as operated in 2015/16 which is based on the Default Scheme Regulations and that War Disabled Pensions, War Widow, Pensions and Armed Forces Compensation Scheme payments are disregarded in full when calculating a claimant's income.
3. That the Council resolve that the Council Tax Base for 2016/17 for the whole city is 125,181.13 equivalent Band D properties, for Montpelier Square alone 95.04 equivalent Band D properties and for Queen's Park 3,269.17 equivalent Band D properties.

4. That the Council resolve that the figures set out in Recommendation 3 above for the Council Tax Base for 2016/17 be used by the Council to make a determination pursuant to the requirements of the Local Government Finance Act 1992.

## **2. TREASURY MANAGEMENT STRATEGY MID-YEAR REVIEW**

- (a) We have considered a report setting out the Council's half year Treasury report for 2015/16 in accordance with the Council's Treasury Management practices. As required by regulations we are reporting this information to the Council.
- (b) We noted two aspects of Treasury Performance – Debt Management and Cash Investments. Debt Management related to the Council's borrowing and cash investments to the investment of surplus cash balances. The report we considered, which is attached as Appendix B, covers:
  - the treasury position as at 30 September 2015;
  - the UK economy and interest rates;
  - investment strategy and outturn for 2015/16;
  - the borrowing strategy and outturn for 2015/16; and
  - compliance with treasury limits and prudential indicators.
- (c) As part of the mid-year review we are recommending the inclusion of Bonds within the category of UK deposits and Certificates of Deposits as part of the Treasury Management Strategy.

### **We recommend:**

- (i) That the report (Appendix B) be noted.
- (ii) That the change to the Treasury Management Strategy set out in paragraph (c) be approved.

Philippa Roe, Leader of the Council

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Local Government Act 1972 (Background Papers)

None