

REPORT OF THE CABINET MEETING HELD ON 10 DECEMBER 2018

Present: Councillor Nickie Aiken (Chairman), David Harvey, Heather Acton, Ian Adams, Richard Beddoe, Tim Mitchell, and Andrew Smith

Also present: Councillors Angela Harvey and Gotz Mohindra

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

- (a) The Local Government Act 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. Following a decision last year by the Cabinet Member for Children Services, care leavers can apply for a 100% Council Tax Discount for a three-year period. This reflects the Council's important role and commitment as a corporate parent.
- (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 property premium. We are recommending that the Council Tax discount for empty and second homes remains at 0% and that a Long Term Empty Property Premium continues at the maximum percentage allowed for by the current legislation, which is a 100% premium for 2019/20, which is an increase on the 2018/19 level.
- (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 2019/20. 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 2019/20 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 130,319.70 equivalent Band D properties for the whole city, 3,496.10 Band D equivalent properties for Queens Park and 97.61 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 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 3,496.10 Band D equivalent properties.
- (g) The full report we considered is attached as Appendix 1.

We recommend:

1. That the Council approve for the financial year 2019/20:
 - (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 continues at the maximum percentage allowed for by the current legislation, which is a 100% premium for 2019/20 (an increase on the 2018/19 level).
 - (iv) that the Head of Revenues & Benefits determines any individual local discount applications received from vulnerable Council Taxpayers during the course of the 2019/20 financial year.
2. That the Council approve the same Council Tax Reduction Scheme for 2019/20 as operated successfully since 2013/2014 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 2019/20 for the whole city is 130,319.70 equivalent Band D properties, for Montpelier Square alone 97.61 equivalent Band D properties and for Queen's Park 3,496.10 equivalent Band D properties.
4. That the Council resolve that the figures set out in Recommendation 3 above for the Council Tax Base for 2019/20 be used by the Council to make a determination pursuant to the requirements of the Local Government Finance Act 1992.

Councillor Nickie Aiken, Leader of the Council

Local Government Act 1972 (Background Papers)

None