

Key Decision Required:	Yes	In the Forward Plan:	Yes
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**CABINET
8 NOVEMBER 2013**

**REPORT OF THE HOUSING, REVENUES AND BENEFITS AND SPORTS FACILITIES PORTFOLIO
HOLDER**

**A.4 THE LOCAL COUNCIL TAX SUPPORT SCHEME AND COUNCIL TAX
EXEMPTIONS/DISCOUNTS FOR 2014/2015**

(Report prepared by Harry Bates, Nigel Borley and Keith Jacobs)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to consider and agree the proposed Local Council Tax Support Scheme and Council Tax Exemptions and Discounts for the year 2014/2015 for recommendation to full Council and the level of associated grants to Town and Parish Councils.

EXECUTIVE SUMMARY

This report outlines the proposed Local Council Tax Support (LCTS) scheme and Council Tax exemptions and discounts for 2014/2015

LCTS Scheme for 2014/2015

As part of the major changes to the Welfare Benefits system, from 31 March 2013 Council Tax Benefit (CTB) ended and was replaced by a new scheme called Local Council Tax Support (LCTS). A key principle of the scheme was the protection of pensioners (persons who are of an age where they can claim pension credit). Pensioners who previously received CTB will continue with the same level of assistance they had prior to LCTS being introduced. The Government has also been clear that in developing a local scheme, Councils should be mindful of their duties to vulnerable groups.

The 2013/14 Government funding for Council Tax Support was set at 90% of what would have been available as CTB subsidy for that year, after factoring in the Government's assumption of a reduced caseload. Funding for 2014/15 is expected to be of the same value but at present this cannot be guaranteed.

The pan Essex LCTS project group, comprising of all the billing authorities and the unitary authorities in Essex, was created in January 2012 to devise a modular type approach upon which all authorities could base their local schemes according to local needs. The precepting authorities of Essex County Council, Fire and Police have been involved from the beginning of this project. The project is managed by the benefits managers under guidance from the Essex Finance Officers Association (EFOA).

The development of the current scheme included consultation with the public and with the Corporate Management Committee. It is too early to provide a definitive financial analysis of the 2013/14 scheme outturn as the collection and recovery rates are yet to be finalised. In the background section of this report the up to date position as at the end of September is provided to help to contextualise the report. However, indications are that the scheme will achieve the required cost neutrality desired at the outset.

In considering year two of the scheme and given the uncertain financial position three different

options have been considered:

- 1) Maintain current level of LCTS at 90% maximum of eligible council tax
- 2) Reduce starting point of the LCTS calculation by 5% to give maximum eligible council tax at 85%
- 3) Reduce starting point of the LCTS calculation by 10% to give maximum eligible council tax at 80%

Council Tax exemptions and discounts for 2014/2015

From 1 April 2013 second home owners have been charged 100% of the applicable Council Tax, an increase of 10% from 2012 - 2013, empty properties have been charged from the first day of becoming empty instead of an exemption for up to six months and uninhabitable properties have been fully discounted for up to a year which effectively is unchanged from the previous year. The Council did not opt to charge the 50% surcharge on properties that had been empty for two years.

Those housing associations that are registered as a charity have been able to claim exemption Class B for up to six months when their properties have become empty.

Comparing the period April to September in this year with last year, the overall effect of the changes has been a reduction of over £1.3m in the amount of discounts and exemptions granted.

Consequently the Council has received numerous complaints from owners of empty and furnished properties who consider it to be unfair that they are charged 100% for a property that demands little from local services while a single occupant of the property receives a 25% discount. However, this approach supports this Council's opposition to empty properties and in essence it is a tax which does not directly link the amount paid to the services received.

Therefore it is proposed that the level of discounts for the year 2014/15 remain the same as those agreed for 2013/14.

Other Matters

When Cabinet considered the Initial Financial Baseline 2014/15 report at its 12 July 2013 meeting, it initially considered the options around grants to Town and Parish Councils that were introduced in 2013/14 to offset the impact of the LCTSS in that year. The Corporate Management Committee has also considered the options and has recommended to Cabinet that consideration be given to passing on a reduction in grant funding and although subject to determination by Cabinet, based on the provisional overall reduction in the Council's funding position in 2014/15, the reduction in grants to Town and Parish would be 15%.

In a continuation from last year, it is also proposed to delegate the approval of the NNDR 'property base' for 2014/15 to the Portfolio Holder for Finance and Asset Management, similar to the Council Tax Base approval process.

RECOMMENDATION

- a) **That Cabinet reviews and determines a response to the comments from the Corporate Management Committee in respect of the LCTS proposals for 2014 - 2015.**
- b) **That subject to a) above, Cabinet agrees the proposed LCTS scheme set out at Appendix B and recommends to full Council:**

- i) that the LCTS set out at Appendix B be approved
- ii) that subject to b)i) above, delegation be given to the Corporate Director (Life Opportunities) in consultation with the Housing, Revenues & Benefits and Sports Facilities Portfolio Holder to undertake the necessary steps and actions to implement the new LCTS scheme from 1 April 2014.
- c) That Cabinet reviews and determines a response to the comments from the Corporate Management Committee in respect of Council Tax exemptions and discounts for the year 2013 - 2014.
- d) That subject to c) above, Cabinet agrees the proposed Council Tax exemptions and discounts as set out in Appendix D and recommends to full Council:
 - i) That the Council Tax exemptions and discounts 2014 – 2015 set out in Appendix D be approved
 - ii) That subject to d)i) above, delegation is given to the Corporate Director Life Opportunities in consultation with the Housing, Revenues & Benefits and Sports Facilities Portfolio Holder to undertake the necessary steps and actions to implement the Council Tax exemptions and discounts for 2014/2015 as set out in Appendix D
- e) That in respect of the grants to Town and Parish Council's, Cabinet considers the position including the specific comments from the Corporate Management Committee and determines whether to reduce the grant amounts to reflect the Council's own provisional funding position, with a fixed reduction of 15% for 2014/15.
- f) That in respect of the NNDR 'tax base', Cabinet recommends to full Council that the approval of the NNDR data for 2014/15 be delegated to the Portfolio Holder for Finance and Asset Management.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

In developing a local scheme the Council must be mindful of its duties to vulnerable groups, and Council Tax payers as well as achieving a cost-neutral scheme.

FINANCE, OTHER RESOURCES AND RISK

LCTS Scheme for 2014/2015

In 2013/14 the Government funded LCTS with a specific grant of £1.600 million (including Town and Parish Council element), but for 2014/15 the funding has been 'rolled' into the Council's overall funding position made up of Revenue Support Grant and locally retained business rates. The Department for Communities and Local Government (DCLG) has confirmed that although it will not be identifiable within the draft settlement figures the allocation will remain the same as that for 2013/14, although the overall package will be reduced. DCLG have stated that Members will decide on the value of the funding to be used for LCTS from 2014/15.

LCTS is treated as a discount within the council tax calculations which means that the council's taxbase will reduce (as will the taxbase for County, Fire and Police). A recent consultation excludes

Town and Parish Councils from the calculation. All other things being equal, the anticipated funding from the Government should cover the lost council tax income but may well cause shortfalls in other areas. In order to redress this shortfall the gap could be covered by:

- further reducing the level of council tax support given;
- using the Council's own funding;
- increasing council tax (subject to the council tax referendum rules).

It is proposed that any shortfall in funding be mitigated by reducing the level of council tax support given.

A further £108,239 is expected to be provided as new burdens funding by Government to support the implementation/continuation of the scheme in 2014/2015.

During the period April to September the annual awards for discounts and exemptions on Council Tax have reduced by £1.3 million compared to the previous financial year. This amount is shared between the preceptors with Tendring District Council's share representing 10%, £130,000. In addition, Essex County Council, (including the Fires and Police authority) (ECC) contributes towards the expenditure incurred by TDC on concurrent functions by paying to the Council a proportion of their increased share derived from changes to discounts such as second homes and empty properties. Changes to this income from ECC will be reflected in the Financial Strategy that will be presented to Cabinet later in the year.

New Homes Bonus

A key factor in the calculation of any New Homes Bonus due to the Council is the number of empty properties. The more empty properties there are the lower the award will be. Therefore it is in the council's interest to minimise the number of empty properties.

Risk

As the major impact of the change to LCTS will be on low income working age families, there is a risk of a reduction in the collection rate should this group be asked to pay considerably more towards their council tax. With the Government Welfare reform initiative that is currently being implemented it is this same group who are most affected by the Social Sector under occupancy rule and benefit "capping" in particular.

Proposed Options

- 1) Maintain current level of LCTS at 90% maximum of eligible council tax
 - Number of affected households 0
 - Average increase in weekly Council Tax to a claimant would be as it is under the current 2013/2014 levels.
 - There would be no additional saving to the preceptors and Tendring
- 2) Reduce starting point of the LCTS calculation by 5% to give maximum eligible council tax at 85%
 - Number of affected households 7,500 to 8,000
 - Average increase in weekly Council Tax to a claimant would be £0.74
 - There would be an annual saving to the preceptors and for Tendring this would be approximately £288K
- 3) Reduce starting point of the LCTS calculation by 10% to give maximum eligible council tax at 80%

- Number of affected households 7,500 to 8,000
- Average increase in weekly Council Tax to a claimant would be £1.47
- There would be an annual saving to the preceptors and for Tendring this would be approximately £575K

As the performance and impact of the LCTSS is still emerging it is recommended that Tendring continues with the principles pertaining to the current scheme rules for 2014/15 which also provide a level of stability. However it is recognised that the Council faces significant financial challenges not only in 2014/15 but in the medium to longer term. If no changes were made to the level of support the scheme currently offers then set against the background of a continuing reduction in Government funding, other Council Tax payers could be seen as subsidising the scheme which makes for a difficult argument. Therefore with these underlying principles in mind it is proposed that the maximum eligible Council Tax support is reduced to 85% (option 2). This would therefore be sufficient to remove any need to increase the level of council tax or divert funding from elsewhere and is based on the principle of cost neutrality and overall fairness.

Council Tax exemptions and discounts for 2014/2015

Class A – Unoccupied and furnished dwellings with a planning restriction preventing occupation for at least 28 days.

- **0% discount** (on the days when the property cannot be used due to a planning restriction an exemption is allowed under Class G).

Class B – Unoccupied and furnished dwellings without a planning restriction preventing occupation for at least 28 days.

- **0% discount**

Class C – Unoccupied and substantially unfurnished dwellings.

- **0% discount**

Class D – Unoccupied and unfurnished requiring major repairs or alterations.

- **100% discount**

It is recommended that Council tax exemptions and discounts remain unchanged from 2013/14.

Corporate Management Committee

The Corporate Management Committee considered the report at its meeting held on 28 October 2013 and made the following **RECOMMENDATION AND COMMENT** to **CABINET**:

Corporate Management Committee Recommendation or Comment	Portfolio Holder's Response
<p>RECOMMENDATION</p> <p>1. That Cabinet gives consideration to reducing the 100% discount to 95%, or the break-even figure, in respect of Class D properties.</p>	<p>Comments will be provided directly at the meeting.</p>

<p>2. To check to ensure that the properties are viable and to undertake a feasibility study to ensure that this exercise is also financially viable.</p>	<p>Comments will be provided directly at the meeting.</p>
<p>COMMENT - With reference to the consultation with local residents, the Committee felt that the survey sent out was not user-friendly or easy to understand. Therefore, to get a better representation of residents' views, consideration be given to joint activities being arranged with Town and Parish Councils e.g. specific information days, where Town and Parish Councillors and Tendring District Council's Officers are on hand to answer any questions but again ensuring that any such arrangements were cost-effective.</p>	<p>Comments will be provided directly at the meeting.</p>

LEGAL

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885).

The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 (SI 2013/501).

The Local Government Finance Act 1992

Amendments to the delegation powers are required for the Corporate Director (Life Opportunities) to reflect the current corporate structure.

A continuation of the delegated power is requested to approve the NNDR 'tax base'.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Crime and Disorder

Empty properties can attract vandalism and increase the potential for crime. The larger amount of Council Tax charged on empty properties encourages their return to occupation and helps towards the Council's aim of providing a safer community.

Equality and Diversity

Agreement is being sought via this report to continuing the restriction of access to LCTS for those applicants who have not resided in the Tendring area for a continuous period of at least 5 years as at the date of their application, subject to certain exceptions contained in the LCTS Residency Policy document. (Appendix C). No change to this policy is proposed for 2014/15.

The LCTS scheme set out in the body of the report will not disproportionately impact on the following groups in that the relevant income will continue to be disregarded in calculating entitlement to support:-

- o Families in receipt of child benefit; The Child Poverty Act 2010

- Disabled in receipt of Disability Living Allowance (DLA) / Employment and Support Allowance (ESA); The Equality Act 2010
- War widows/disabled. The Armed Forces Covenant 2011

In considering the recommendations in respect of discounts applying a 0% (zero percentage) discount to all second homes and a 0% discount on empty properties, across the entire district it is considered that as the implications will apply to all property owners it is considered that there are no equality and diversity issues specific to this issue

Health Inequality

Not applicable

Area or Ward affected

All in Tending District Council's jurisdiction.

Consultation

Contained at Appendix A

Public Engagement

Website consultation

The Public Consultation asked the following questions:-

Question 1. At the moment working age people who have very low income have up to 90% of their Council Tax paid by LCTS.

Do you agree that this remain the same for financial year 2014/2015?

Survey results were

	Response Total	Response %
Yes	27	41%
No	33	50%
Don't know	6	9%
Total Respondents	66	100%
(skipped this question)	80	

Question 2. Do you agree that the amount of LCTS should be reduced to reflect the financial changes coming in by reducing further LCTS awarded and thereby increase the amount payable by those claiming?

Survey results were

	Response Total	Response %
Yes	36	55%
No	22	33%
Don't know	8	12%
Total Respondents	66	100%
(skipped this question)	80	

If you have ticked "Yes" then please indicate what level of LCTS should the Council pay up to.

Question 3 – Up to 85%?

Question 3 – Up to 80%?

Survey results were

	Response Total	Response %
Up to 85%	5	14%
Up to 80%	21	60%
Other, please specify view	8	23%
Total Respondents	35	100%
(skipped this question)		111

Question 4: In the current scheme there are residency rules that limit awarding LCTS to those residents who have resided in Tendring for at least 5 years as at the date they apply. Do you agree that the residency rules remain?

Survey results were

	Response Total	Response %
Yes	44	71%
No	18	29%
Total Respondents	62	100%
(skipped this question)		84

Question 5: The current LCTS scheme has the condition that a further 25% reduction of CTS for those who have been claiming JSA for 3 years or more. Those deemed capable of work by the Secretary of State but who haven't worked for 3 years or more.

Survey results were

	Response Total	Response %
Yes	44	71%
No	18	29%
Total Respondents	62	100%
(skipped this question)		84

Question 6 Have you got any general comments that you wish to make about these changes?

This was given a free format for comments which allowed observations / suggestions from the respondees. The full report of the responses is shown in Appendix A under question 6 feedback.

BACKGROUND

LCTS Scheme

As part of the major changes to the Welfare Benefits system, from 31 March 2013 Council Tax Benefit ceased and was replaced by a new scheme called Local Council Tax Support (LCTS) which came into effect from 1 April 2013. Tendring District Council ratified the 2013/2014 local scheme on 27 November 2012.

The scheme provided for the continuation of funding from Government to meet the cost of the Local Scheme but at only 90% of previous levels. Given the current and future challenging financial position and in consultation with other key stakeholders such as the major preceptors, the financial context of the new scheme is that, after taking into account the grant from the government, it should be cost neutral and therefore not impact on council tax payers generally.

There are two parts to the scheme;

- one for pension age claimants (which leaves the pensioners' position unchanged from that of Council Tax Benefit);
- one for working age claimants.

The Pension Age Scheme is set in accordance with rules laid down by the Government whereas the working age scheme rules are decided by each local authority (billing authority).

Pensioners and Vulnerable Groups

The Government has been clear that in developing a local scheme, Councils should be mindful of their duties to vulnerable groups. It is proposed that the local scheme from 1 April 2014 will include the same definitions of vulnerable groups as that applied in 2013/14 and to a large extent include the definitions applied in the previous Council Tax Benefit system with an emphasis on families in receipt of Child Benefit, those in receipt of Disability Living Allowance, Employment Support Allowance and War Widows.

The Pensioner age group under the Council's LCTS scheme have been given full protection from any of the changes in 2013/2014 and that will continue into Year 2 of its LCTS scheme.

Timetable

Authorities must adopt a new local scheme before 31st January 2014.

Impact of current LCTS scheme 2013/2014 compared to Council Tax Benefit 2012/2013

There were 17,722 households receiving Council Tax Benefit in September 2012 compared to 16,296 households currently receiving LCTS. The value of Council Tax Benefit awarded was £15.3m whereas the value of LCTS currently awarded is £13.4m.

The shift in support between Pensioners and Working age has changed from 53% and 47% respectively to 58% and 42% in terms of the value of awards being granted. This means that 58% of LCTS is currently being provided to pensioners.

The impact of the Residency requirements of the Council's LCTS scheme means that the level of awards has been dampened and the current trend indicates that the level of £13.4m LCTS awarded will be the final outturn for the end of the financial year. However, members should be aware that this is an estimate based on realistic projections.

As at the end of September 2013 the collection of Council Tax within the LCTS affected accounts is as follows:-

<u>All LCTS related accounts (including the pensioner age group)</u>		
Total number of LCTS related accounts	16,296	
Number of accounts with nil liability (pensioner age group)		5,482
Accounts with a debt		10,812
Paid in full		1,162
Part paid	7,513	
No payment received to date	1,944	
Percentage collected		47.2%
Value of payments		£1.3m

The collection of Council Tax liability of the non LCTS accounts by 30 September is 57.61%. However, in this context it must be remembered that there was a new legal permission for Council Tax payers to be able to pay their Council Tax liability over 12 monthly instalments instead of 10 instalments from 1 April 2013 and so the income profile is different to previous years.

It should be noted that there has been a significant increase in the number of reminders, final notices and summonses compared to previous years' collection activities.

The impact of the Residency requirement as at the 30 September 2013

Initially refused to date	300
Where it is still currently refused	276
Where Single person discount applies	126
Total Council Tax charged to accounts refused LCTS	£179.5k
Total outstanding on Council Tax accounts	£136.6k
Percentage collected on these accounts where LCTS has not been granted	23.9%

DEVELOPMENT OF THE SCHEME

The Chief Finance Officer and pan Essex LCTS project groups comprising of all the billing authorities and the unitary authorities in Essex have continued to review the on-going implications of changes in welfare and benefits. The project is managed by the benefits managers under guidance from the Essex Finance Officers Association (EFOA).

Some local authorities have shown a keen interest in this Council's residency requirements and have included similar proposals in their consultation to measure their respective citizens' views on such a requirement.

In developing a local scheme the Council as a billing authority must:

- consult with the major precepting authorities (County, Fire and Police);
- consult other such persons as it considers are likely to have an interest in the operation of the scheme;

A six week consultation period commenced on 22nd August and ended 6th October 2013. A pan Essex approach to consultation was undertaken which meant that the responses were held on the Essex County Council's website, The data was collated and stored there, allowing access only by the relevant Local Authority. A press release was issued and publicised on 25 August 2013 which directed the public to a survey specific to Tendring. In addition copies of the press release were sent with all outgoing correspondence to all Council Tax customers for the duration of the consultation.

The questionnaire along with the detailed responses is set out in **Appendix A**.

LOCAL COUNCIL TAX SUPPORT SCHEME FOR TENDRING

Following on from the development process set out above, a summary of the proposed new scheme is set out as **Appendix B**.

The proposed 2014/15 LCTS for Tendring is a continuation of the Council Tax Benefit that was carried forward into the Year 1 LCTS scheme with a reduced level of eligible council tax because:-

- Council Tax Benefit has been developed over a long period of time and has been legally tested,
- there are inbuilt mechanisms, through applicable amounts and premiums that allow a calculation for each applicant taking into account their own financial and domestic circumstances.
- it assists in complying with the Council's duties to vulnerable groups, whilst offering work incentives through the use of tapers applied to earned income.
- the precepting authorities of Essex County Council, Fire and Police have been involved in the development of the scheme from the beginning of the LCTS scheme.

The Tendring LCTS scheme for 2014/2015 continues as in 2013/2014 with the following elements :-

- Include income from child maintenance payments
- Include all child minders income
- Include all household income (i.e. remove deductions for non dependents)
- Remove backdating of claims
- Remove underlying entitlement
- Remove second adult rebate
- Further 25% reduction in support for those who have been in receipt of Job Seekers Allowance (JSA) for more than 3 years
- Blanket charge increased to 15% on all non-"pensioner" council tax liability
- 5 Year residency requirement

Based on current forecasts, the above approach would enable a net neutral scheme to be delivered after also taking into account changes in council tax discounts introduced in 2013/2014 and that are being proposed to be carried forward into 2014/15.

The residency requirement was introduced so that those moving into the Tendring District will not be automatically eligible for council tax support but will become eligible for support from the date of their claim after living in the district for 5 years continuously (subject to normal scheme rules). This is to deter people in other areas from coming to the Tendring area without being able to contribute economically to the District. This would not affect pensioners who are covered by the national scheme and there are exemptions in exceptional circumstances e.g. unable to work, armed forces and emergency services personnel, fleeing domestic violence and redundancy.

In proposing an 85% LCTS level for year two of the scheme account has been taken of a number of factors. Firstly, the need to maintain a balanced budget, particularly as there is still some uncertainty about government funding and a decision has to be made in respect of the scheme before there is certainty. Secondly, whilst the responses from the consultation indicate support for a reduction to 80% It is not considered that this is appropriate and is not necessary in the context of the budget. Thirdly, the Council is aware that high profile campaigns are being

mounted to remove certain benefits from the assessed income in calculating the award of LCTS and whilst these campaigns may not find any traction it is considered to be prudent to adopt a cautious approach in managing this council's finances and to deliver a LCTS scheme which balances support for those who require help with their council tax whilst also protecting the wider council tax paying resident base.

Appendix B sets out a summary of the scheme. It is proposed that the detailed implementation is delegated to the Corporate Director (Life Opportunities) in consultation with the Housing, Revenues & Benefits and Sports Facilities Portfolio Holder.

LCTS – GRANT TO TOWN AND PARISH COUNCILS

As set out in the Initial Financial Baseline report that Cabinet considered on 12 July 2013, within the Council's overall grant funding position, an amount was notionally identified by the Government as relating to the impact on Town and Parish Council's due to the introduction of the LCTSS. As part of the agreement of the council tax base for 2013/14, grant amounts totally **£0.202m** were therefore agreed to be 'passported' onto to Town and Parish Councils to ensure that they did not suffer any adverse impact on their overall funding position due to introduction of the LCTSS.

However with the proposed reduction in the Council's overall funding position, the Initial Financial Baseline report considered by Cabinet on 12 July 2013 also set out, amongst a number of other issues, the options in terms of how to treat this 'passported' grant to Parish and Town Councils. Cabinet subsequently requested:

That Corporate Management Committee be consulted on the Initial Financial Baseline for 2014/15 and be requested to form a view on the funding of the Local Council Tax Support Scheme (LCTSS) and Town and Parish Council LCTSS grant in 2014/15.

The Committee subsequently considered the Initial Financial Baseline 2014/15 along with the funding of the LCTS at its 5 August 2013 meeting and resolved (minute 22 (2) refers):

In respect of the LCTSS, that no changes should be made to the current scheme but that consideration should be given to passing on an associated reduction in the Grants to Town and Parish councils.

In revisiting the background to the earlier consideration of the options mentioned above, the Government have stated that within the Council's overall grant funding position, the element for the LCTSS remains the same, it is up to each Local Authority to determine its overall approach to the LCTSS in 2014/15 and the associated funding.

The Council could therefore maintain the level of 'passported' grants at 2013/14 levels or it could argue that replicating its own position whereby it is facing a significant reduction in overall funding would be a more pragmatic and logical approach and therefore look to reduce the funding to Town and Parish Councils by similar amounts.

Based on the Government's provisional financial settlement for 2014/15, a reduction of 15% in overall funding is expected. It should be noted that this could change when final figures are published along with potential changes arising from the possible 'rolling in' of other grant funding streams. However if the approach of reducing the grant to Town and Parish Councils was agreed, for the purposes of giving Town and Parish Councils some certainty around their financial position the 'passported' grants could be reduced by a fixed 15% for 2014/15. Any eventual changes to the Council's funding position are not expected to be material in the

context of these 'passported' grants and would therefore be 'absorbed' within the Council's overall budgeted position.

The overall approach to the LCTSS in 2014/15, as set out elsewhere in this report, is based on mitigating the reduction in overall funding by reducing the council tax support given. Therefore in reality the reduction in the 'passported' grant and the associated impact on Town and Parish Councils is likely to be offset by a higher tax base that would result from such a change and therefore result in a net neutral position.

It is also important to note that the above approach still recognises any other underlying increases or decreases in tax base, such as additional homes and changes to other discounts that would be reflected in individual Town and Parish tax bases as usual.

NNDR BASE

As part of the move to the local retention of business rates (NNDR) from April 2013, Members are required to approve the NNDR 'base' each year. This is similar to the Council Tax base where the data is used to derive a 'property base' from which the estimated level of income collectable each year is calculated. Historically this data has been captured on an NNDR1 form that has been approved by the Council's S151 Officer.

For 2013/14 the Council agreed the delegation of the approval of the NNDR tax base to the Finance and Asset Management Portfolio Holder which follows the same process as for the Council Tax base decision. Although this delegation will be considered on a permanent basis as part of the Council's general review of the Constitution that is currently in progress, it is proposed that in the interim period the approval of the NNDR tax base for 2014/15 is again delegated to the Finance and Asset Management Portfolio Holder.

BACKGROUND PAPERS

None

APPENDICES

Appendix A Consultation feedback

Appendix B Local Council Tax Support Scheme (summary)

Appendix C Residency Policy

Appendix D Council Tax Discounts