

# COUNCIL

26 NOVEMBER 2024

## REFERENCE FROM CABINET

### **A.2 THE LOCAL COUNCIL TAX SUPPORT SCHEME, DISCRETIONARY COUNCIL TAX EXEMPTIONS / DISCOUNTS / PREMIUMS FOR 2025/26 AND ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT 2025/26**

(Report prepared by Ian Ford)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

The Council is asked to consider the recommendations submitted to it by the Cabinet in respect of the Local Council Tax Support Scheme 2025/2026, Council Tax Exemptions, Discounts and Premiums for 2025/2026 and the Annual Minimum Revenue Provision Policy Statement for 2025/2026.

##### **EXECUTIVE SUMMARY**

At its meeting held on 15 November 2024 (Minute 84 refers), the Cabinet had considered a joint report of the Housing & Planning Portfolio Holder and Corporate Finance & Governance Portfolio Holder (A.9) which had sought its agreement for recommending to Full Council the following:

- Local Council Tax Support Scheme 2025/26 (LCTS);
- Exceptional Hardship Policy;
- Discretionary Council Tax Exemptions, Discounts and Premiums for 2025/26; and
- Annual MRP Policy Statement for 2025/26.

Having conducted the annual review of the above matters, the Portfolio Holders had proposed to Cabinet:-

- (i) in terms of the LCTS, to continue with the principle of providing financial stability wherever possible to Tendring claimants;
- (ii) to keep the 2025/26 LCTS scheme the same as for 2024/25, which provided for a maximum discount of 80% for working age claimants;
- (iii) to not make any changes to the associated hardship policy apart from recognising that council tax payable on second homes / empty properties was not eligible for support;
- (iv) to not make any changes for 2025/26 in relation to existing discretionary council tax discounts, exemptions and premiums (including discounts for young people leaving care);
- (v) to not make any changes in respect of existing council tax premiums on long-term empty properties;
- (vi) to introduce from 1 April 2025 a 100% council tax premium on properties occupied periodically ('second homes');
- (vii) to note that central Government have introduced a number of exceptions where the council tax premium on long term empty properties and/or second homes is not chargeable; and
- (viii) to not make any changes to the Annual Minimum Revenue Provision Policy Statement for 2025/26 other than minor amendments to reflect revised Guidance.

Cabinet had been informed that, if it was agreed that no changes were necessary to the proposed LCTS scheme, there would be no need for public consultation. However, if any amendments were proposed and approved at Full Council in November 2024, then public consultation would be required before the final scheme could be agreed and adopted. Consequently, if consultation was required, this Council would have to notify the precepting authorities that the final council tax base would be delayed and would not be available until late on in the budget cycle.

Given the recommendation to continue with the existing LCTS scheme, it had not been proposed to formally refer it for scrutiny to the Resources and Services Overview and Scrutiny Committee, on the grounds that it would be considered by Full Council at this meeting.

In order to proceed towards the implementation of an LCTS Scheme in 2024/25 along with the required council tax discounts, exemptions and premiums and an MRP Policy Statement Cabinet had:-

***“RESOLVED*** that Cabinet agrees that -

- (a) the LCTS scheme for 2025/26 remains the same as the current year (2024/25);*
- (b) the Council Tax Exceptional Hardship Policy be as set out in Appendix B to the joint report; and*
- (c) the discretionary Council Tax exemptions, discounts and premiums for 2025/26 be as set out in the appendices to the Portfolio Holders’ joint report.*

***RECOMMENDED TO COUNCIL*** that –

- (i) the LCTS, as set out as Appendix A to the joint report, be approved with the maximum LCTS award being 80% for working age claimants;*
- (ii) the Director (Finance and IT), in consultation with the Housing and Planning Portfolio Holder, be authorised to undertake the necessary steps to implement the LCTS scheme from 1 April 2025;*
- (iii) the locally determined council tax discounts, as set out in Appendix C, be approved;*
- (iv) the council tax discount policy for young people leaving care, as set out in Appendix D, be approved;*
- (v) the discretionary council tax premiums, as set out in Appendix E, be approved;*
- (vi) a discretionary council tax premium of 100% is charged on properties occupied periodically (‘second homes’) from 1 April 2025;*
- (vii) the Director (Finance and IT), in consultation with the Housing & Planning Portfolio Holder, be authorised to undertake the necessary steps to implement the council tax exemptions, discounts and premiums from 1 April 2025; and*
- (ix) the Annual Minimum Revenue Provision Policy Statement for 2025/26, as set out in Appendix F, be approved.”*

A copy of the published Housing & Planning Portfolio Holder and the Corporate Finance and Governance Portfolio Holder’s joint report (and its appendices) to the Cabinet meeting held on 15 November 2024 is attached to this report.

## RECOMMENDATIONS

That Council, having considered this reference report from Cabinet –

- (a) approves the LCTS scheme for 2025/26, as set out as Appendix 2 to this report, with the maximum LCTS award being 80% for working age claimants;
- (b) authorises the Director (Finance and IT), in consultation with the Housing & Planning Portfolio Holder, to undertake the necessary steps to implement the LCTS scheme from 1 April 2025;
- (c) approves the locally determined council tax discounts, as set out in Appendix 4 to this report;
- (d) approves the council tax discount policy for young people leaving care, as set out in Appendix 5 to this report;
- (e) approves the discretionary council tax premiums, as set out in Appendix 6 to this report;
- (f) approves that a discretionary council tax premium of 100% will be charged on properties occupied periodically (“second homes”) from 1 April 2025;
- (g) authorises the Director (Finance and IT), in consultation with the Housing & Planning Portfolio Holder to undertake the necessary steps to implement the council tax exemptions, discounts and premiums from 1 April 2025; and
- (h) approves the Annual Minimum Revenue Provision Policy Statement for 2025/26, as set out in Appendix 7 to this report.

## BACKGROUND PAPERS FOR THE DECISION

Published Decisions of the meeting of the Cabinet held on 15 November 2024.

## APPENDICES

**APPENDIX 1** = Published A.9 Joint Report of the Housing & Planning Portfolio Holder and the Corporate Finance and Governance Portfolio Holder for the meeting of the Cabinet held on 15 November 2024

**APPENDIX 2** = Proposed Local Council Tax Support Scheme (summary) 2025/26

**APPENDIX 3** = Council Tax Exceptional Hardship Policy [for INFORMATION ONLY]

**APPENDIX 4** = Council Tax Discounts and Exemptions 2025/26

**APPENDIX 5** = Care Leavers Council Tax Discount Policy

**APPENDIX 6** = Council Tax Premiums 2025/26

**APPENDIX 7** = Annual Minimum Revenue Provision Policy Statement 2025/26