

**LOCAL COUNCIL TAX REDUCTION SCHEME AND BUSINESS RATES
DISCRETIONARY POLICIES 2019-20**

Committee: Resources and Finance Committee

Date: 29th November 2018

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[T137]

1. **ISSUE**

1.1 To consider options for the Local Council Tax Reduction Scheme (LCTRS) for 2019-20

1.2 To review the Council's discretionary policies with regard to Business Rates again for the 2019-20 financial year.

2. **RECOMMENDATION (S)**

2.1 Committee is asked to recommend to Full Council:

2.2 That the Local Council Tax Reduction Scheme (LCTRS) for 2019-20 remains unchanged from the current scheme.

2.3 That Council's policies with regard to discretionary Business Rate reliefs also remains unchanged.

3. **BACKGROUND/OPTIONS**

Local Council Tax Reduction Scheme

3.1 Each year Council is required to review its Local Council Tax Reduction Scheme (LCTRS). Where it wishes to retain the existing scheme this must be decided by 11th March of the preceding year. Where a council seeks to amend its scheme, it is necessary to consult preceptors and stakeholders to inform a final scheme design by 28th February of the preceding year.

3.2 This report advises Resources and Finance Committee about the officer conclusion of the 2018 annual review.

3.3 As Members will be aware a major review of the scheme was undertaken during 2017, for the 2018-19 financial year. Committee received reports on this on the 21st September 2017 and the 30th November 2017, where changes to the previous scheme were approved. These changes harmonised the scheme with DWP Welfare Reforms and made entitlement to LCTRS, to the most part, conditional upon Universal Credit entitlement.

- 3.4 The current East Cambridgeshire LCTRS scheme provides a maximum benefit of 91.5% for working age claimants and our scheme also protects War Pensioners. The aim in designing the scheme was to achieve a balance in charging an amount of Council Tax to encourage customers back into work, whilst setting the amount charged at an affordable and recoverable level. By setting the amount payable at 8.5% of the charge, in most cases, where a customer is not paying, we can affect recovery through attachment to benefit within the year and so the charge with costs is recoverable. If the amount payable was set higher, then it is possible the debt would not be recoverable and possibly create a culture of non-payment of Council Tax.
- 3.5 Further, by increasing the contribution rate to more than 8.5%, the possible increase in Council Tax collected for the Council could well be less than the additional costs of recovery (additional staff, postage and enquires to customer services), including the inability to recover the debt in year by deduction from DWP benefits and therefore this is not recommended.

4. ARGUMENTS/CONCLUSIONS

- 4.1 That the Local Council Tax Reduction Scheme (LCTRS) for 2019-20 remains unchanged from the current scheme.
- 4.2 The changes made to the scheme last year have worked well – harmonising to DWP welfare reforms and uprating, as well as removing the stipulation that customers must make a separate claim for Council Tax Support when claiming Universal Credit, thereby making the scheme compatible with the introduction and planned expansion of Universal Credit.
- 4.3 Continuing with the existing scheme continues these benefits and enables compliance with DWP benefits and the introduction and planned expansion of Universal Credit.

Business Rates

- 4.4 Officers have considered if any changes should be made to the Council's policy with regard to Business Rate discretionary reliefs, but at this point, no changes are recommended.
- 4.5 Members will be aware that in the National Budget additional relief has been offered for retail properties with a rateable value of less than £51,000, this relief being for 2019-20 and 2020-21. In order to provide this relief Council will need to use its discretionary relief powers (under Section 47 of the Local Government Finance Act 1988). Council will therefore need to approve a recommendation to implement this. Government have made it clear that any relief provided in this area will be funded via Section 31 grant and as such it will be cash neutral to this authority.
- 4.6 Further detail of the scheme and a request to approve will be detailed in the budget report which will be presented to Committee on the 28th January 2019.

5 FINANCIAL IMPLICATIONS / EQUALITY IMPACT ASSESSMENT

5.1 While a finance report, because no changes in process are being recommended, this will have none to minimal financial implications.

5.2 Equality Impact Assessment (INRA) not required.

6. APPENDICES

Appendix 1 – Draft Business Rates discretionary relief criteria 2019-20

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
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