REPORT TO: CABINET

DATE: 26 FEBRUARY 2015

TITLE: COUNCIL TAX DISCRETIONARY REDUCTION IN LIABILITY POLICY AND LOCAL NON DOMESTIC RATES TRANSITIONAL RELIEF POLICY

PORTFOLIO HOLDER: COUNCILLOR MIKE DANVERS

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This is not a Key Decision
This decision is not subject to Call-in procedures for the following reasons:
It is a recommendation to Full Council.
This decision will affect no ward specifically.

RECOMMENDED that:

A The proposed Council Tax Discretionary Reduction Policy, as set out in Appendix A to this report, is recommended to Full Council for adoption.

B The proposed Non Domestic Rating Discretionary Transitional Relief Policy, as set out in Appendix B to this report, is recommended to Full Council for adoption.

REASON FOR DECISION

A The Local Government Finance Act 1992 provides the Council with additional discretionary powers to enable it to reduce the Council Tax liability where statutory discounts, exemptions and reductions do not apply. In order to grant a discretionary reduction the Council must adopt a policy under these powers.

B The Non Domestic Rates (NDR) transitional relief scheme was introduced in 2010 to help those ratepayers who were faced with higher rate bills which occurred as a result of rates revaluation. The transitional relief scheme ends on 31 March 2015 and as a result, a small number of ratepayers will face an increase to their full rates bill from 1 April 2015. The Government announced in the Autumn Statement that it will continue to provide transitional relief to all properties with a rateable value of £50,000 or less.
C The policy proposed in this report at Appendix B takes into account the guidance issued in January 2015 by the Department for Communities and Local Government (DCLG).

D The report notifies Cabinet of the change in the maximum amount of NDR Retail Relief that can be granted in the financial year 2015/16 will be £1,500.

BACKGROUND

1. The cost of any local Council Tax discretionary reduction awarded will be met from General Fund Expenditure.

2. NDR transitional relief will be awarded for the 2014/15 and 2015/16 financial years only.

3. The cost to the Council and major precepting authorities of awarding the NDR transitional relief will be fully reimbursed by central Government through the rates retention scheme.

ISSUES/PROPOSALS

Council Tax Discretionary Reduction Policy

4. The Local Government Finance Act 1992 allows the Council the discretion to provide assistance to taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in such circumstances where the Council feels that the level of discount exemption or reduction is insufficient given the tax payers circumstances.

5. These discretionary awards can be given to:
   i. Individual Council Taxpayers;
   ii. Groups of Council Taxpayers defined by a common set of circumstances;
   iii. Council Taxpayers within a defined area or;
   iv. To all Council Taxpayers within the Council’s area.

6. Any reduction awarded under the policy will be wholly funded by Harlow Council, and will be met from the Council’s General Fund budget.

7. The Council has always been willing to accept applications for a reduction in council tax under S13 A 1(c) of the Local Government Finance Act 1992, but failure to approve a Discretionary Reduction policy under Section 13A 1(c) may expose the Council to legal challenge.

8. The Council has a separate existing Exceptional Hardship Policy for those in receipt of Local Council Tax Support, which was approved by Full Council on
21 March 2013.

**Non Domestic Rating Discretionary Transitional Relief Policy**

9. The Non Domestic Rates transitional relief scheme was introduced in 2010 by Government to help those ratepayers who were faced with higher bills as a result of rates revaluation. The transitional relief scheme ends on 31 March 2015 and as a result a small number of ratepayers will face an increase to their full rates bill from 1 April 2015.

10. The Government announced in the Autumn Statement on 3 December 2014 that it will extend to 31 March 2017 the current transitional relief scheme for properties with a rateable value up to and including £50,000. There are no legislative provisions to extend the current transitional relief scheme beyond 31 March 2015, and accordingly the Council needs to adopt a Discretionary Relief Policy under the Local Government Finance Act 1989 to achieve this aim.

11. The Government will, in line with the eligibility criteria set out in the guidance, reimburse local authorities that exercise their discretionary relief powers. It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant transitional relief. In view of the fact that such expenditure can be reimbursed, the Government expects Councils to grant transitional relief to qualifying ratepayers.

12. The Government has published guidance which sets out the detailed criteria for the operation and delivery of the extension of transitional relief, which has been incorporated into the Council’s policy at Appendix B.

13. The Council will incur a cost of £5,225 for related software to implement and award transitional relief to affected ratepayers.

14. Where there is eligibility for 100% Enterprise Zone Relief, then transitional relief cannot be granted.

**Non Domestic Rating Discretionary Retail Relief**

15. Cabinet previously approved a Local NDR Retail Relief policy on 13 March 2014. This report notifies Cabinet that the government announced in the 2014 Autumn Statement that the level of retail relief for the 2015/16 financial year will increase from £1,000 to £1,500.

**IMPLICATIONS**

**Place (includes Sustainability)**
None specific beyond those in the report
Author: **Graeme Bloomer, Head of Place**

**Finance (Includes ICT)**  
As set out in the report.  
Author: **Simon Freeman, Head of Finance**

**Housing**  
None specific  
Author: **Andrew Murray, Head of Housing**

**Community Wellbeing (includes Equalities and Social Inclusion)**  
None specific  
Author: **Jane Greer, Acting Head of Community Wellbeing**

**Governance (includes HR)**  
None other than those contained in the report  
Author: **Brian Keane, Interim Head of Governance**

**Appendices**  
Appendix A - Council Tax Discretionary Reduction in Liability Policy  
Appendix B – Non Domestic Rates Transitional Relief Policy

**Background Papers**


**Glossary of terms/abbreviations used**

NDR – Non Domestic Rates