

Report to the Cabinet

Report reference: C-060-2012/13
Date of meeting: 4 February 2013



Portfolio: Finance and Technology

Subject: Discretionary Discount Policy for Council Tax and Business Rates

Responsible Officer: Rob Pavey (01992 564211).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) To approve the Discretionary Discount Policy for Council Tax and Business Rates;

Executive Summary:

Legislation has introduced additional discretionary powers for local authorities to award discretionary discounts in respect of Council Tax and Business Rates. To date no applications have been received but it is necessary for the Council to formalise its process and policy in dealing with such applications should they be received in the future

Reasons for Proposed Decision:

To agree a policy for considering applications for discretionary discounts for Council Tax and Business Rates.

Other Options for Action:

To amend or not agree the policy

Report:

1. Section 13A of the Local Government Finance Act 1992 was amended by section 76 of the Local Government Act 2003 to allow local authorities to grant discretionary discounts, in relation to Council Tax, as it thinks fit. Clause 69 of the Localism Act amends section 47 of the Local Government Finance Act 1988 to allow local authorities to grant discretionary discounts, in relation to Business Rates, again as it thinks fit. Local authorities are required to develop their own discretionary discount policies to enable them to exercise these additional powers. However, local authorities must not have a blanket policy to award discretionary discounts, and the attached document as Annex 1 provides guidelines for considering applications under the policy.

2. This policy should be distinguished from the Council's existing discretionary rate relief policy which applies to non-profit making organisations, including local cub scouts and guides organisations covered under existing provisions. The discount arrangements covered under this policy could apply to **any** business.

3. The guidelines regarding Council Tax are covering applications under section 13A which may arise as a result of hardship. This may be particularly relevant given the potential collection issues as a result of the introduction of Council Tax Support. Other authorities have used the provision to provide support for Council Tax payers as a result of flooding for example.

4. The funding of any types of discount awarded for Council Tax under section 13A of the 1992 Act would be fully funded by EFDC. With regard to the discounts that could be considered for Business Rates the funding for these arrangements would be deducted from the level of Business rate income generated, which within the new Business Rate retention would mean that 40% would be funded by EFDC.

Resource Implications:

Funding for any applications for Council Tax applications would be met from within the overall collection fund provisions and in the case of Business rates this would be offset against any growth.

Legal and Governance Implications:

The Council is required to have a policy to determine how it will deal with applications for discretionary discounts for Council Tax and Business Rates

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

None

Background Papers:

The policy document attached to this report as Annex 1.

Impact Assessments:

Risk Management

Having a policy in place will significantly reduce the risk that decisions on discretionary discounts could be successfully challenged.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?