



# **WOKINGHAM BOROUGH COUNCIL**

A Meeting of the **SPECIAL COUNCIL EXECUTIVE COMMITTEE** will be held at the Civic Offices, Shute End, Wokingham on **THURSDAY 28 JANUARY 2016 AT THE CONCLUSION OF THE EXECUTIVE MEETING**

A handwritten signature in black ink, appearing to read 'Andy Couldrick', written in a cursive style.

Andy Couldrick  
Chief Executive  
Published on 20 January 2016

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## **Our Vision**

***A great place to live, an even better place to do business***

### ***Our Priorities***

**Improve educational attainment and focus on every child achieving their potential**

**Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth**

**Ensure strong sustainable communities that are vibrant and supported by well designed development**

**Tackle traffic congestion in specific areas of the Borough**

**Improve the customer experience when accessing Council services**

### ***The Underpinning Principles***

**Offer excellent value for your Council Tax**

**Provide affordable homes**

**Look after the vulnerable**

**Improve health, wellbeing and quality of life**

**Maintain and improve the waste collection, recycling and fuel efficiency**

**Deliver quality in all that we do**

## MEMBERSHIP OF THE SPECIAL COUNCIL EXECUTIVE COMMITTEE

### Councillors

Parry Batth (Chairman)  
Keith Baker

Bob Pitts (Vice-Chairman)  
Angus Ross

Anthony Pollock  
Prue Bray

### Substitutes

Lindsay Ferris

Julian McGhee-Sumner

ITEM NO.	WARD	SUBJECT	PAGE NO.
1.		<p><b>APOLOGIES</b> To receive any apologies for absence</p>	
2.		<p><b>MINUTES OF PREVIOUS MEETING</b> To confirm the Minutes of the Meeting held on 29 January 2015.</p>	5 - 8
3.		<p><b>DECLARATION OF INTEREST</b> To receive any declarations of interest</p>	
4.		<p><b>PUBLIC QUESTION TIME</b> To answer any public questions</p> <p>The Council welcomes questions from members of the public about items included within this agenda.</p> <p>Subject to meeting certain timescales, questions can relate to the items which are on the agenda for this meeting For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to <a href="http://www.wokingham.gov.uk/publicquestions">www.wokingham.gov.uk/publicquestions</a></p>	
5.		<p><b>MEMBER QUESTION TIME</b> To answer any member questions relating to the items included within this agenda</p>	
6.	None Specific	<p><b>COUNCIL TAX BASE 2016/17</b> To set the Council Tax Base for 2016/17 in respect of the whole Borough and all constituent parts so that each precepting parish can subsequently set their Council Tax budgets for the year.</p>	9 - 12
7.	None Specific	<p><b>COUNCIL TAX REDUCTION SCHEME</b> To adopt a Localised Council Tax Reduction Scheme which will ensure that all working age Borough residents who may experience financial difficulties in paying their council tax liabilities have access to a scheme of assistance, designed locally, offering financial help to them.</p>	13 - 16

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**MINUTES OF A MEETING OF THE  
SPECIAL COUNCIL EXECUTIVE COMMITTEE  
HELD ON THURSDAY 29 JANUARY 2015 FROM 8.52PM TO 9.02PM**

*Present: UllaKarin Clark (Chairman), Parry Batth (Vice Chairman), Keith Baker, Prue Bray, Anthony Pollock and Angus Ross*

## **PART I**

### **1. MINUTES**

The Minutes of the meeting of the Committee held on 30 January 2014 were confirmed as a correct record and signed by the Chairman.

### **2. APOLOGIES**

There were no apologies for absence received.

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest received.

### **4. PUBLIC QUESTION TIME**

There were no public questions received.

### **5. MEMBERS' QUESTIONS**

There were no Member questions received.

### **6. COUNCIL TAX BASE 2015/16**

The Committee considered a report relating to the Council Tax Base for 2015/16 in respect of the whole Borough and all constituent parts, which amounted to 63,818 properties, in order that each precepting parish could subsequently set their Council Tax budgets for the financial year.

The Executive Member for Finance advised the meeting that every year there was a need to approve the tax base which was the denominator used to calculate council tax. This was based on the number of houses in the Borough which it was noted had increased. A further calculation was required to be performed which converts the number of houses into Band D equivalents. It was noted that the Council was proposing to allocate £100,000 to parish and town councils, on the same basis as in 2014/15, to offset most of the reduction in the council tax base that arose from the new council tax benefits system.

Councillor Bray highlighted that in relation to how much money the Council would pass on to the parishes, to overcome the difficulty of council tax reduction, the Liberal Democrat Group had tried to propose a motion on this matter for consideration at the November Council meeting but due to lack of time it was not heard. She therefore felt that this agenda item should have been considered at a full Council meeting to give all Councillors the opportunity to debate the item not only for this year but in the future. Therefore if every year it was likely that items would come forward in January then there should be a Council meeting scheduled then.

### **RESOLVED** That:

- 1) the proposed Council Tax Base, for the whole area and by Parish, as set out in the report be agreed;

- 2) the proposed allocation of £100,000 grant to the parishes in respect of council tax reduction, as set out in the council tax base table in the report, be approved.

## **7. COUNCIL TAX REDUCTION SCHEME**

The Committee considered a report setting out a proposed Localised Council Tax Reduction Scheme which would ensure that all working age Borough residents who may experience financial difficulties in paying their council tax liabilities had access to a scheme that offered financial assistance.

Councillor Pollock provided background to the scheme which was set up as a result of the passing of responsibility for council tax benefit to local authorities and reported that a minor review had been undertaken on the scheme for this year and as a result the proposed 2015/16 Scheme was on the same basis as the previously adopted schemes.

Councillor Bray commented that she thought that the scheme was fair as, unlike some other Authorities' schemes, it did not try and extract money from people who had got the least which can cause a lot of anxiety and distress to people and it leads to bad debts. She was therefore supportive of the proposed scheme.

Councillor Baker was pleased that the Council was continuing to allow the disregard for War Widows and War Disability Pensions which he felt was timely having just received a letter from the Ministry of Defence acknowledging the Council signing up to the Military Covenant. He was also pleased that the hardship fund was effectively funded from changes to empty property charges.

Councillor Pollock paid tribute to the Officers who had drafted the original report and also did the work on this scheme and who were very aware of the issues raised by Councillor Bray.

### **RESOLVED** That:

- 1) a local CTR scheme for 2015/16 be adopted on the same basis as the 2014/15 adopted scheme without change to the general entitlement criteria;
- 2) all applicable amounts, premiums, allowances, disregards and deductions used in the calculation of entitlements be uprated in line with the same increases applied to the Government set Prescribed and Default CTR schemes, along with any other minor changes;
- 3) the full disregard currently allowed for War Widows and War Disability Pensions be continued from 1 April 2015 in respect of the Prescribed and Local council tax reduction and housing benefit schemes;
- 4) funds be made available to the hardship fund, known as Section 13A, for those who cannot pay their council tax liabilities. This sum will be funded from the additional tax liabilities collected from the changes to empty property charges that are now levied.

*These are the Minutes of a meeting of the Special Council Executive Committee*

*If you need help in understanding this document or if you would like a copy of it in large print please contact one of our Administrators.*

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<b>TITLE</b>	<b>Council Tax Base 2016/17</b>
<b>FOR CONSIDERATION BY</b>	Special Council Executive Committee on 28 January 2016
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director of Finance and Resources

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Set the Council Tax Base for 2016/17 in respect of the whole Borough and all constituent parts so that each precepting body can subsequently set their Council Tax budgets for the year. The higher the tax base the lower the tax burden.

## **RECOMMENDATION**

The Special Council Executive Committee is asked to:

- 1) agree the proposed Council Tax Base, for the whole area and by Parish, as set out in the report;
- 2) approve the proposed allocation of £80,000 grant to the parishes in respect of council tax reduction as set out in the council tax base table.
- 3) approve the proposed reduction in grant to the parishes in respect of the council tax reduction of £20,000 each year over the four years 2017/18 – 2020/21.

## **SUMMARY OF REPORT**

Local authorities must ensure their council tax base for the forthcoming financial year is approved by Council, or a delegated body, by 31<sup>st</sup> January each year.

This year's tax base calculations show that with a total of 64,430 properties on the Council Tax register as at 5<sup>th</sup> October 2015, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalents is 68,774.8 for 2016/17.

The proposed tax base for 2016/17 reflects an increase of 1.30% on the equivalent figure for the 2015/16 financial year.

The Council is also proposing to allocate £80,000 to parishes to offset some of the reduction in the council tax base for them arising from the council tax reduction system which replaced council tax benefit in April 2013. This is proposed to phase out over the following four year.

A summary of the impact of the movements on the council tax base is as follows:

- (i) The Borough had 65,826.7 properties at 5 October 2015 net of the loss due to any Council Tax Benefit and any other changes to empty property charges;

(ii) The increase arising from the estimated new properties in 2016/17 and other changes is estimated at 841.4 band D equivalent properties;

(iii) The total of (i) to (ii) above is 66668.1 properties. The bad debt provision for 2016/17 is 1% of this amount, i.e. 666.7 properties.

The net total of (i) to (iii) above is 66,001.4 properties as set out in the analysis of issues.

## Background

The Local Authorities (Calculation of Tax Base) Regulations require the billing authority (Wokingham Borough Council) to notify its major precepting bodies (The Police and Fire Authorities) and its Parishes of the tax base for the following financial year. The precepting bodies may request this information between the 1<sup>st</sup> December 2015 and 31<sup>st</sup> January 2016.

## Analysis of Issues

The prescribed calculation is made as follows;

- (i) A return is made to the Department for Communities and Local Government (form CTB1). This analyses the valuation list as at a prescribed date into the various property bands and then provides details of discounts and exemptions;
- (ii) The Band D equivalent property numbers for tax purposes for the whole of the area are broken down into each constituent Parish area;
- (iii) An adjustment is made to allow for the impact of council tax reduction grant (which reduces the Band D equivalent property numbers in each area and overall);
- (iv) An estimate of unbanded and new properties expected to be banded during 2016/17 are added;
- (v) An adjustment is then made to take account of bad debts. This has been maintained at 1.0% as in previous years.

The resultant outcome reflects the tax base for the coming financial year in accordance with the table below:

<i>Parish</i>	<i>Share of £80k CTR grant</i>	<i>2016/17 Tax Base</i>
<i>Arborfield &amp; Newland</i>	2,016.90	1,260.0
<i>Barkham</i>	270.22	1,440.6
<i>Charvil</i>	689.55	1,399.6
<i>Earley</i>	11,206.23	11,704.0
<i>Finchampstead</i>	1,632.74	5,665.3
<i>Remenham</i>	0	317.5
<i>Ruscombe</i>	414.62	497.9
<i>St. Nicholas Hurst</i>	223.74	1,044.2
<i>Shinfield</i>	6,814.25	4,780.7
<i>Sonning</i>	647.58	806.9
<i>Swallowfield</i>	242.64	995.1
<i>Twyford</i>	1,039.27	2,961.5
<i>Wargrave</i>	1,979.22	2,085.0
<i>Winnersh</i>	2,460.10	3,801.3

<i>Wokingham Town</i>	13,657.92	14,294.6
<i>Wokingham Without</i>	2,128.88	3,107.1
<i>Woodley</i>	34,576.14	9,840.1
<b>Whole Area</b>	<b>£80,000.00</b>	<b>66,001.4</b>

The Council has managed to maintain a grant payment to the Parishes to help them meet the impact of the localisation of Council Tax benefit. Given the severe grant funding reduction and spending pressures faced by the Council over the coming years, this Parish grant payment is unsustainable. It is proposed to be phased out by 2021 to provide the Council with a significant period of time to manage the impact of a relatively small annual reduction

### **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	Yes	Revenue
Next Financial Year (Year 2)	N/A	Yes	Revenue
Following Financial Year (Year 3)	N/A	Yes	Revenue

#### **Other financial information relevant to the Recommendation/Decision**

The revised tax base and total grant allocation will be factored in to the 2016/17 budget setting process.

#### **Cross-Council Implications**

Council tax income contributes to the funding of all services

#### **List of Background Papers**

None

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<b>Date</b> 14 January 2016	<b>Version No.</b> 2

<b>TITLE</b>	<b>Council Tax Reduction Scheme</b>
<b>FOR CONSIDERATION BY</b>	Special Council Executive Committee on 28 January 2016.
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director Finance and Resources

## **OUTCOME / BENEFITS TO THE COMMUNITY**

The adoption of a Localised Council Tax Reduction (CTR) scheme will ensure that all working age borough residents who may experience financial difficulties in paying their council tax liabilities have access to a scheme of assistance, designed locally, offering financial help to them. This scheme does not apply to Pensioners who are assessed under the Governments Prescribed Scheme.

## **RECOMMENDATION**

That the Council approve the following:

- 1) a local Council Tax Reduction (CTR) scheme for 2016/17 is adopted on the same basis as the 2015/16 scheme with the following changes:
  - a) Awards are restricted to Band D;
  - b) All recipients of CTR pay a minimum of 10% towards their council tax liability
  - c) The band widths and levels of deduction made for a non-dependant be revised and increased. Currently deductions range from £3.74 to £11.36 over 5 income band widths, it is proposed to increase deductions to range from £3.74 to £13.00 over 6 income band widths;
- 2) that all applicable amounts, premiums, allowances, disregards and deductions used in the calculation of entitlements are uprated in line with the same increases applied to the Government set Prescribed and Default CTR schemes, along with any other legislative changes;
- 3) that the full disregard currently allowed for War Widows and War Disability Pensions is continued from 1 April 2016 in respect of the Prescribed and Local council tax reduction and housing benefit schemes;
- 4) that funds be made available to the hardship fund, known as Section 13A, for those who cannot pay their council tax liabilities, particularly as a result of changes for 16/17. This sum will be funded from the general fund and spend is estimated at £6,000 for 15/16.

## **SUMMARY OF REPORT**

From 1 April 2013, local authorities have had the responsibility for designing and administering their own local Council Tax Reduction schemes (CTR), These local schemes apply to all working age claimants. Pensioners have their entitlement to CTR worked out in accordance with a Prescribed CTR scheme set by Government, therefore

none of the changes made to local schemes impact on this group. There is also a requirement to operate a “Hardship Scheme”, known as Section 13A, for those who cannot pay their tax liabilities.

As part of the process of determining a new CTR scheme a public consultation was carried out to canvass opinions. The response reinforced the need to look at change and consider limiting awards. As a result of this, revisions to the scheme restricting payments are proposed.

## **Background**

The Welfare Reform Act 2012 contained provisions for the abolition of Council Tax Benefit and the Local Government Finance Act 2012 made further provision for the localisation of council tax support, known as 'council tax reduction' (CTR), in England by imposing a duty on all billing authorities to introduce a localised CTR Scheme by 31<sup>st</sup> January each year. If a localised scheme is not agreed by then, the Council will be obliged to use the Government's own default national scheme in the following financial year.

The Government no longer provides 100% funding for council tax reduction but instead provides a fixed annual grant to billing and major precepting authorities.

The Government have determined that certain groups may be fully protected from this change. At the current time, this protection applies to claims received from pensioners. All other claims received are calculated in accordance with the adopted local CTR scheme.

## **Analysis of Issues**

A range of proposals were created and a full consultation exercise undertaken in Autumn 2015. The key views arising from the consultation is that the respondents generally supported the tightening of restrictions in the context of the councils financial challenges. As a result of the consultation and reviewing the current scheme, it is proposed that a revised local scheme is approved by Special Council Executive on 28<sup>th</sup> January 2016. In addition to the original changes made in 2013, the new scheme which is based upon the terms and conditions of the Government Prescribed and Default Scheme with the following specific changes:

- 1) That awards of CTR are limited to the level of a Band D property
- 2) That all recipients of CTR pay a minimum of 10% towards their council tax liability,
- 3) That the band widths and deductions made for a non-dependant be revised and increased;

## **Hardship Fund**

The Council remains aware that a complex relief scheme such as localised council tax reduction may exclude some claimants who, in the short term at least, are unable to improve their financial circumstances. This may present them with difficulties in paying council tax liabilities. In this respect, Government changes for council tax support include the provision for further discretionary reductions to be made under Section 13A(l)(c) of the Local Government Finance Act 1992 as substituted by the Local Government Finance Bill 2012.

A formal scheme was developed and approved in line with previous decisions taken. There has been a further refinement to this in 14/15. This scheme is published on the Council's website and its existence is drawn to the attention of council tax payers in need. Expenditure for the year 15/16 to date is £5415.19, over 12 claims, which includes other cases of hardship in addition to those due to CTR restrictions. Each claim approved so far has received an average award of around £450.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

*The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.*

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	(£200k)	Yes	Revenue
Next Financial Year (Year 2)	(ongoing £200k)	Yes	Revenue
Following Financial Year (Year 3)	(ongoing £200k)	Yes	Revenue

### Other financial information relevant to the Recommendation/Decision

None

### Cross-Council Implications

None

### List of Background Papers

Consultation Response;  
CTR Default and Local schemes;  
Various DCLG and DWP documents  
Equality Impact Assessment;

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<b>Date</b> 15 January 2016	<b>Version No.</b> 1