



# **WOKINGHAM BOROUGH COUNCIL**

A Meeting of the **SPECIAL COUNCIL EXECUTIVE COMMITTEE** will be held at the Civic Offices, Shute End, Wokingham RG40 1BN on **THURSDAY 26 JANUARY 2017**  
**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 18 January 2017

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# **WOKINGHAM BOROUGH COUNCIL**

## **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

Bob Pitts (Chairman)	Rob Stanton (Vice-Chairman)	Keith Baker
Lindsay Ferris	Anthony Pollock	Angus Ross

### Substitutes

Julian McGhee-Sumner

ITEM NO.	WARD	SUBJECT	PAGE NO.
1.		<b>APOLOGIES</b> To receive any apologies for absence	
2.		<b>MINUTES OF PREVIOUS MEETING</b> To confirm the Minutes of the Meeting held on 28 January 2016.	7 - 10
3.		<b>DECLARATION OF INTEREST</b> To receive any declarations of interest	
4.		<b>PUBLIC QUESTION TIME</b> To answer any public questions  The Council welcomes questions from members of the public about items included within this agenda.  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>	
5.		<b>MEMBER QUESTION TIME</b> To answer any member questions relating to the items included within this agenda	
6.	None Specific	<b>COUNCIL TAX BASE 2017/18 AND EMPTY PROPERTY DISCOUNTS</b> To set the Council Tax Base for 2017/18 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.  <b>RECOMMENDATION</b> That: 1) the proposed Council Tax Base be agreed, for the whole area and by Parish, as set out in the report;	11 - 16

- 2) the proposed allocation of £60,000 grant to the parishes in respect of council tax reduction be approved, as set out in the council tax base table;
- 3) the levels of discount for Council Tax charging in respect of certain classes of empty property be approved in accordance with the details set out in this report.

7. None Specific

### **COUNCIL TAX REDUCTION SCHEME**

17 - 20

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.

#### **RECOMMENDED That:**

- 1) a local CTR scheme for 2017/18 be adopted on the same basis as the 2016/17 scheme with the following changes:
  - a. all recipients of CTR pay a minimum of 20% towards their council tax liability;
  - b. cease the awarding of backdated "beneficial changes". The scheme to state that all changes must be notified within one calendar month;
- 2) 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) the full disregard currently allowed for War Widows and War Disability Pensions be continued from 1 April 2017 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, particularly as a result of changes for 17/18. This sum will be funded from the general fund and spend for 16/17 is estimated at £8,500.

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**MINUTES OF A MEETING OF THE  
SPECIAL COUNCIL EXECUTIVE COMMITTEE  
HELD ON 28 JANUARY 2016 FROM 8.55 PM TO 9.05 PM**

**Committee Members Present**

Councillors: Parry Batth (Chairman), Bob Pitts (Vice-Chairman), Anthony Pollock, Keith Baker, Angus Ross and Prue Bray

**Other Councillors Present**

Lindsay Ferris, Guy Grandison, Norman Jorgensen and Pauline Jorgensen

**1. APOLOGIES**

There were no apologies for absence received.

**2. MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of the Committee held on 29 January 2015 were confirmed as a correct record and signed by the Chairman.

**3. DECLARATION OF INTEREST**

There were no declarations of interest received.

**4. PUBLIC QUESTION TIME**

There were no public questions received.

**5. MEMBER QUESTION TIME**

There were no Member questions received.

**6. COUNCIL TAX BASE 2016/17**

The Committee considered a report relating to the proposed Council Tax Base for 2016/17 in respect of the whole Borough and all constituent parts in order that each precepting body could subsequently set their Council Tax budgets for the year. It was noted that the higher the tax base the lower the tax burden.

Members were informed by the Executive Member for Economic Development and Finance that the tax base was the denominator used to calculate council tax. The tax base was based on the number of houses in the Borough which following a further calculation was converted into the number of Band D equivalents. This year's tax base calculations showed that with a total of 64,430 properties on the council tax register, and after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc, the proposed tax base of band D equivalents was 68,774.8 for 2016/17.

Councillor Pollock also advised that the Council would be allocating £80,000 to parishes, as set out in the table contained in the report, to offset some of the reduction in the council tax base arising from the council tax reduction system which replaced council tax benefit in April 2013.

**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 an £80,000 grant to the parishes in respect of council tax reduction, as set out in the council tax base table contained in the report, be approved;
- 3) 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 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.

The Executive Member for Economic Development and Finance advised the meeting that from 1 April 2013 local authorities were given the responsibility for designing and administering their own local Council Tax Reduction Scheme which, following the withdrawal of the previous Government grant, now falls completely on the council tax payer. Following a review of the current scheme some minor changes were proposed which have recently been consulted upon. The principle of the revised Scheme was that everybody would pay something towards their council tax and that where there was more than one working adult in a household the fact that the other adult was working would be taken into account.

It was noted that there was a hardship fund available to assist council tax payers who could not pay their council tax liabilities, particularly as a result of changes for 16/17.

Councillor Bray stated that although she could see the justification for some of the changes being proposed eg restricting awards to Band D she was disappointed with the proposals for all recipients of Council Tax Reduction to pay a minimum of 10% towards their council tax liability because not everybody would have the money to pay their liability. Therefore she feared that there was a risk of ending up with a hole in the council tax collection fund. This could also lead to the Council having to pay for expensive court proceedings in order to prosecute more people for not paying their council tax; which would go against the anticipated saving.

Councillor Bray also felt that the way the report was worded seemed to suggest that the proposed changes had come out of the consultation but no details of the consultation outcomes, other than to say that the key views arising from the consultation were that the respondents generally supported the tightening of restrictions, were provided within the report. Therefore there was no way of knowing how many people had responded or what they had said. Councillor Bray further stated that she would be disappointed if there had been only 25 respondents and none of them had actually supported this proposal or the consequences had not actually been explained to them. Although Councillor Bray was in favour of parts of the proposed scheme she would not be able to support recommendation 1b as she felt it was a mistake.

Councillor Pollock responded that his recollection was that most of the respondents did support the principle set out in recommendation 1b. He also advised that in contrast to other neighbouring authorities, who were requesting a contribution of around 15% or over towards their residents' council tax liability, the Council had taken a more cautious approach.



**RESOLVED** That:

- 1) a local Council Tax Reduction (CTR) scheme for 2016/17 be 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 five income band widths, it is proposed to increase deductions to range from £3.74 to £13.00 over 6 income band widths;
- 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 legislative changes;
- 3) the full disregard currently allowed for War Widows and War Disability Pensions be continued from 1 April 2016 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, 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.

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<b>TITLE</b>	<b>Council Tax Base 2017/18 and Empty Property Discounts</b>
<b>FOR CONSIDERATION BY</b>	Special Council Executive Committee on 26 January 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director of Corporate Services

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

Set the Council Tax Base for 2017/18 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 £60,000 grant to the parishes in respect of council tax reduction as set out in the council tax base table.
- 3) approve the levels of discount for Council Tax charging in respect of certain classes of empty property in accordance with the details set out in this report.

## **SUMMARY OF REPORT**

### **Council Tax Base**

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 65,234 properties on the Council Tax register as at 3<sup>rd</sup> October 2016, after making all relevant adjustments for discounts, exemptions, new builds, bad debts, etc. the proposed tax base of band D equivalents is 67,433.40 for 2017/18.

The proposed tax base for 2017/18 reflects an increase of 2.17% on the equivalent figure for the 2016/17 financial year.

The Council is also proposing to allocate £60,000 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.

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

- (i) The Borough had 66,976.4 properties at 3 October 2016 net of the loss due to any Council Tax Reduction and any other changes to empty property charges

(ii) The increase arising from the estimated new properties in 2017/18 and other changes is estimated at 1138.2 band D equivalent properties.

(iii) The total of (i) to (ii) above is 68114.6 properties. The bad debt provision for 2017/18 is 1% of this amount, i.e. 681.2 properties.

The net total of (i) to (iii) above is 67,433.4 properties as set out in the analysis of issues.

### **Empty Property Discounts**

Under powers previously granted by Central Government the Council can alter the % discount and timeframe of certain empty property discounts.

Our current discounts are:

- i) 100% for up to 28 days where a property is empty and unfurnished
- ii) 50% for up to one year where a property is empty and undergoing structural/major works.

The proposed discounts are:

- i) 0% where the property is empty and unfurnished (full charge payable)
- ii) 0% where the property is empty and undergoing structural/major works (full charge payable).

This will bring us in line with other Berkshire authorities as tabled in the report.

## 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 2016 and 31<sup>st</sup> January 2017.

The exemption previously allowed for properties empty and unfurnished and empty and undergoing structural/major works was removed and provision was made for local authorities to set discounts between 0% and 100% for certain classes of empty property. Our current discounts are 100% for up to 28 days where a property is empty and unfurnished and 50% for up to one year where a property is empty and undergoing structural/major works.

## Analysis of Issues

The prescribed calculation is made as follows;

- (i) A return is made to the Dept. 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 2017/18 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 £60k CTR grant</i>	<i>2017/18 Tax Base</i>	<i>2016/17 Tax Base</i>	<i>% Change</i>
<i>Arborfield &amp; Newland</i>	1,512.67	1,263.4	1,260.0	0.27%
<i>Barkham</i>	202.67	1,526.9	1,440.6	5.99%
<i>Charvil</i>	517.16	1,409.3	1,399.6	0.69%
<i>Earley</i>	8,404.68	11,755.9	11,704.0	0.44%
<i>Finchampstead</i>	1,224.55	5,725.0	5,665.3	1.05%
<i>Remenham</i>	0	321.9	317.5	1.39%

<i>Ruscombe</i>	310.97	501.5	497.9	0.72%
<i>St. Nicholas Hurst</i>	167.80	1,053.1	1,044.2	0.85%
<i>Shinfield</i>	5,110.69	5144.0	4,780.7	7.60%
<i>Sonning</i>	485.69	808.3	806.9	0.17%
<i>Swallowfield</i>	181.98	1,006.0	995.1	1.10%
<i>Twyford</i>	779.45	2,994.5	2,961.5	1.11%
<i>Wargrave</i>	1,484.41	2,098.3	2,085.0	0.64%
<i>Winnersh</i>	1,845.08	3,897.1	3,801.3	2.52%
<i>Wokingham Town</i>	10,243.44	14,685.2	14,294.6	2.73%
<i>Wokingham Without</i>	1,596.66	3,109.9	3,107.1	0.09%
<i>Woodley</i>	25,932.10	10,133.1	9,840.1	2.98%
<b>Whole Area</b>	<b>£60,000.00</b>	<b>67,433.4</b>	<b>66,001.4</b>	<b>2.17%</b>

The grant allocations are distributed using the same formula as in the previous two years, and are based upon council tax base levels.

Benchmarking has been undertaken with some of our neighbouring authorities and our recommendations are in line with those discounts that they currently have or are proposing.

<b>Local Authority</b>	<b>Current for Major/Structural</b>	<b>Proposed for Major/Structural</b>	<b>Current for Empty &amp; Unfurnished</b>	<b>Proposed for Empty &amp; Unfurnished</b>
Wokingham	50% up to 12 months	0%	100% up to 28 days	0%
West Berks	0%	0%	0%	0%
RBWM	100% up to one months	Proposed 0%	100% up to one months	Proposed 0%
Bracknell	0%	0%	0%	0%
Reading	50% up to 12 months	Considering changes	100% up to one month	0%

## **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)	(£400,000)	Yes	Revenue
Following Financial Year (Year 3)	(£400,000)	Yes	Revenue

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

The revised tax base and total grant allocation will be factored in to the 2017/18 budget setting process.

**Cross-Council Implications**

Council tax income contributes to the funding of all services. The changes to empty property discounts could affect all council tax payers. They will also affect Council property that remains empty and officers will work with colleagues to help minimise the impact of any potential additional council tax charges

**List of Background Papers**

None

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<b>Date</b> 13 January 2017	<b>Version No.</b> 1

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<b>TITLE</b>	<b>Council Tax Reduction Scheme</b>
<b>FOR CONSIDERATION BY</b>	Special Council Executive Committee on 26 January 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director of Corporate Services

## **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 Government's Prescribed Scheme.

## **RECOMMENDATION**

That Council approve the following:

- 1) a local CTR scheme for 2017/18 is adopted on the same basis as the 2016/17 scheme with the following changes:
  - a. all recipients of CTR pay a minimum of 20% towards their council tax liability;
  - b. cease the awarding of backdated "beneficial changes". The scheme to state that all changes must be notified within one calendar month;
- 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 2017 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 17/18. This sum will be funded from the general fund and spend for 16/17 is estimated at £8,500.

## **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 understanding and need to look at change and consider limiting awards. As a result of this, revisions to the scheme restricting payments further 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 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 2016. 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 26<sup>th</sup> January 2017. 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 all recipients of CTR pay a minimum of 20% towards their council tax liability,
- 2) Cease the awarding of backdated "beneficial changes". The scheme to state that all changes must be notified within 1 calendar month. Enforce changes to be reported within 1 calendar month and if outside of this no backdate to be granted for "beneficial changes". Currently there is no timescale to report beneficial changes. This means there can be cases where a lot of backdated CTR is paid, going back in some cases months or years. This is because they had an entitlement at the time and due to a change in circumstances, should have received more CTR.

## **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 16/17. 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 16/17 to date is £6166.42, over 13 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 £475.

#### **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)	(£0)	Yes	Revenue
Next Financial Year (Year 2)	(£150k)	Yes	Revenue
Following Financial Year (Year 3)	(ongoing £150k)	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> 12 January 2017	<b>Version No.</b> 1