

POLICY AND RESOURCES CABINET BOARD

13TH MAY 2010

FINANCE & CORPORATE SERVICES

**REPORT OF THE HEAD OF REVENUES & CUSTOMER SERVICES -
M. JONES**

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SECTION A – MATTERS FOR DECISION

ITEM 1

COUNCIL TAX – HELP FOR PENSIONERS

Purpose of Report

1. To inform Members of the Welsh Assembly Government’s Council Tax Help for Pensioners Scheme for 2010/11 and to recommend how that scheme might be implemented in Neath Port Talbot.

Background

2. The Assembly has made a total of £3.9m available across Wales to support authorities in respect of expenditure incurred during 2010/11 “for the purpose of providing assistance to people with payment of their council tax, but only to pensioners who the authority consider it appropriate to assist.”
3. The £3.9m has been distributed on the Older Adults formula used in the calculated of SSA for 2010/11 and the allocation to Neath Port Talbot is £205,642, with a further £5,000 in respect of administrative costs.
4. If all or part of the allocation is not spent by 31st March 2011, it has to be repaid to the Assembly.
5. Authorities are required to notify the Assembly of their acceptance of the allocation, together with the details of their proposals to spend the money, by 30th June, 2010.

Discussions Between Welsh Authorities

6. Although this allocation is twice the amount for 2009/10, it is still relatively small in relation to the number of pensioners and pensioner households. The allocation to Neath Port Talbot is the equivalent of around £10 per pensioner household, or around £14 per pensioner household where there is a liability to pay council tax.

7. As for 2009/10, it is necessary, therefore, to determine a target group of pensioners in order to ensure that any payment made is of a reasonable amount.
8. The approach taken in 2009/10 was a payment of £50 to pensioners aged 65 or over who were liable persons for council tax and who were on partial council tax benefit at a given date, subject to limiting the payment to the council tax liability. The outcome of this approach was that:
 - 1,884 pensioners received a payment of £50;
 - 310 pensioners received a payment between £5 and £50.
9. This was the approach taken by the majority of Welsh authorities, although the amount of the payment did vary from authority to authority, depending on their allocation from the Assembly and the number of pensioners who qualified for the payment.
10. This approach has a number of advantages and worked well in 2009/10:
 - We can use existing data so there is no need to get people to apply.
 - It does target a group of pensioners who have financial need (as measured by their eligibility for council tax benefit).
 - It does target a group of pensioners who are known to have a liability for council tax and are, therefore, eligible to receive the payment. Furthermore, the payment will not result in a corresponding reduction in their council tax benefit.
11. The option does have the disadvantage that pensioners who have not claimed council tax benefit but are on low income will not receive the payment. However, by publicising the scheme, hopefully we can at least partially address this issue. In 2009/10, there was an increase in the number of claimants (of just over 50) between adopting the scheme and its implementation.
12. The bottom line is that no scheme is going to be perfect, and this option does seem to be overall the best way forward.

Proposed Scheme

13. It is proposed the criteria for receiving the payment are:
 - Eligible persons must be liable to pay council tax in respect of a chargeable dwelling which is their sole or main residence on 30th June 2010.
 - Eligible persons must be aged 65 or over on 30th June 2010.
 - Eligible persons must be in receipt of partial council tax benefit on 30th June 2010 in respect of the chargeable dwelling which is their sole or main residence and on which they are liable to pay council tax.
14. On current numbers of pensioners receiving partial council tax benefit, a payment of £105 (subject to the qualification in paragraph 15 below) would result in expenditure of £200,100 (£5,500 less than the authority's allocation) with payments being made to around 2,200 people.
15. If a pensioner's liability to council tax, after council tax benefit, is less than £105, the payment will be capped at the level of liability for council tax, with a minimum payment amount of £5.
16. The outcome of adopting this scheme would be:
 - around 1,600 pensioners would receive a payment of £105;
 - around 300 pensioners would receive a payment of between £50 and £105;
 - around 300 pensioners would receive a payment of between £5 and £50.
17. In the event that the grant allocation is not fully used in making the above payments, the balance can be used to supplement the current Council Tax Benefit Take Up Campaign being run by the Housing Benefits Section.

Recommendation

18. That, subject to paragraph 19, a payment of £105 be made to persons meeting the criteria set out in paragraph 13 above to assist these persons with payment of their council tax.

19. That the maximum amount of the payment be capped at the level of the eligible person's liability for council tax, with the minimum payment amount being £5.
20. That any amount of the allocation which is not used for making payments direct to pensioners be used to supplement the Council Tax Benefit Take Up Campaign being undertaken by the Housing Benefits Section.

Reasons for Proposed Decision

22. To make payments to pensioners who have financial need.

List of Background Papers

23. WAG letter – Council Tax Help for Pensioners

Wards Affected

24. All

Officer Contact

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COMPLIANCE STATEMENT

COUNCIL TAX – HELP FOR PENSIONERS

(a) **Implementation of Decision**

The decision is proposed for implementation after the 3 day call-in period.

(b) **Sustainability Appraisal**

Community Plan Impacts:

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	Positive
Environment and Transport	No impact
Crime and Disorder	No impact

Other Impacts:

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

(c) **Consultation**

There has been no requirement to consult under the Forward Work Programme.

ITEM 2

RATE RELIEF FOR CHARITIES AND NON-PROFIT MAKING ORGANISATIONS

Purpose of Report

1. This report recommends a scheme of rate relief for charities and non-profit making organisations for the period 1st April, 2011 to 31st March, 2016.

Background

2. The Local Government Finance Act 1988 provides rate relief from rates may be granted as follows:
 - (a) Mandatory Relief (80%)
Where a property is occupied by a charity and is used wholly or mainly for charitable purposes, and for community amateur sports clubs (as registered with HMRC).
 - (b) “Top Up” Discretionary Relief (up to 20%)
Where mandatory relief has been granted, an authority has the discretion to grant up to a further 20% relief.
 - (c) Discretionary Relief (up to 100%)
Where a property is occupied by an organisation which is not established or conducted for profit and whose objects are charitable, philanthropic, religious, or concerned with education, social welfare, science, literature or fine arts.
 - (d) Discretionary Relief (up to 100%)
Where a property is occupied by an organisation which is not established or conducted for profit and the property is wholly or mainly used for the purpose of recreation,
3. The cost of mandatory relief is met by the non-domestic rate pool. The cost of discretionary relief is shared between the pool and the local authority, as follows:

- (a) “Top Up” of Mandatory Relief
25% is met by the pool;
75% is met by the local authority.
 - (b) Other
90% is met by the pool;
10% is met by the local authority.
4. The current criteria for granting discretionary relief were agreed at your meeting of 11th January 2008.

Criteria for Discretionary Rate Relief

5. The following are the current criteria for discretionary relief:
- (a) that each application be treated on its merits;
 - (b) that the following general guidelines be taken into account:
 - membership of the organisation must normally be open to all sections of the community, and membership rates must not be set at a level which excludes the general community;
 - it is accepted that reasonable restrictions may be placed on membership in relation to, for example, ability in a sport, achievement of a standard in the field covered by the organisation, or where the capacity of the facility is limited;
 - favourable consideration will be given to applications from organisations whose objectives are in line with the authority’s corporate aims and values and community plan themes;
 - top up relief will not normally be granted to charity shops;
 - top up relief will only be granted to an outreach facility provided by a college in a deprived ward, subject to excluding those wards within the main population centres;

- except in the case of Community Amateur Sports Clubs, rate relief will not normally be granted in respect of any area of an organisation's premises which are operated as a licensed bar.
- (c) that, having regard to the guidelines at (b) above, the types of organisation listed below in (e), will be granted 20% top up discretionary relief or 100% only relief, as appropriate.
- (d) that having regard to the guidelines at (b) above, all other applications be treated on their merits.
- (e) the organisations referred to in (c) above are:
- youth organisations (such as youth clubs, scouts and guide groups etc)
 - O. A. P. associations
 - Gardening / horticultural societies
 - Associations for the mentally handicapped
 - Musical / theatrical groups
 - Community associations
 - Organisations concerned with education and training
 - Sporting organisations
 - Organisations concerned with voluntary and community services
 - Organisations concerned with promoting economic development and enterprise
 - Citizens' Advice Bureaux
 - Organisations concerned with better health and well being
 - Organisations concerned with the welfare of young people

Recommendations

6. That the criteria for granting discretionary rate relief as set out in paragraph 5 be reviewed.
7. That the new scheme of discretionary rate relief apply for the period 1st April, 2011 to 31st March, 2016, and that all re-applications and new applications be granted to 31st March, 2016.

Reason for Proposed Decision

8. To implement a scheme of discretionary rate relief for the period 1st April, 2011 to 31st March, 2016.

List of Background Papers

9. Local Government Finance Act 1988.

Wards Affected

10. All

Officer Contact

14. Mr M Jones – Head of Revenues & Customer Services
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COMPLIANCE STATEMENT

RATE RELIEF FOR CHARITIES AND NON-PROFIT MAKING ORGANISATIONS

(a) **Implementation of Decision**

The decision is proposed for implementation after the 3 day call-in period.

(b) **Sustainability Appraisal**

Community Plan Impacts:

Economic Prosperity	Positive
Education and Lifelong Learning	Positive
Better Health and Well Being	Positive
Environment and Transport	Positive
Crime and Disorder	Positive

Other Impacts:

Welsh Language	Positive
Sustainable Development	Positive
Equalities	Positive
Social Inclusion	Positive

(c) **Consultation**

There has been no requirement to consult under the Forward Work Programme.