

Report for:	<b>BUCKINGHAMSHIRE SHADOW EXECUTIVE</b>
Meeting Date:	<b>23 July 2019</b>

<b>Title of Report:</b>	<b>Overarching summary for Revenues &amp; Benefits items</b>
Responsible Officer or Relevant Member:	Richard Ambrose – Bucks CC
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<b>Recommendations:</b>	<b>It is recommended that under/overspends for these 3 policies be ring fenced so that variations arising from any one policy can be offset against the others.</b>
Corporate Implications:	This report is a summary of the financial implications of the further 3 reports being considered by the Shadow Executive
Options: (If any)	Not applicable to this report
Reason: (Executive only)	The financial implications in the 3 reports being considered should be ring fenced to ensure cost neutrality

### 1. Purpose of Report

The purpose of this report is to provide an overarching summary of the 3 reports currently going through the authorisation process for Buckinghamshire Council. These reports are in respect of Council Tax Reduction; Council Tax Discounts & Premiums; and Discretionary Rate Relief.

### 2. Executive Summary

This report highlights the proposed harmonisations for District schemes to inform the budget setting process. The aim is for the overall effect of harmonisation to be cost neutral, balanced with the aim to minimise the financial impact on Council Tax Reduction (CTR) claimants as well as charitable organisations in receipt of Discretionary Rate Relief. Flexibility is in-built within these schemes to give officers discretion to quickly manage exceptions on a case by case basis.

### 3. Financial impact

There are variable factors that need to be taken into account when assessing the financial impact of harmonisation. These include the following factors:

- CTR caseloads fluctuate and are difficult to predict
- External factors influence the number of applications for discretionary awards of CTR, and it is difficult to model for this scenario

- Income from long term empty discounts is likely to influence customer behaviours that are likely to reduce income from this source
- It is not possible to know which organisations may apply for rate relief in the future
- Data is based on estimates
- Existing data has been taken from the 2018/19 financial year

It is prudent to allow a buffer to cushion the impact of variations within these schemes. Currently the overall position is as set out below. Table 1 estimates the likely impact that includes awarding a 50% Class D discount (properties undergoing structural alterations). Table 2 shows the likely impact if no Class D discount is awarded:

**Table 1**

		<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
AVDC	CTR (no discretionary)	8,343,430	8,708,531	365,101
	DRR	303,225	303,225	-
	Discount/premium	798,000	732,700	- 65,300
	Total	9,444,655	9,744,456	299,801
CDC	CTR (no discretionary)	3,773,050	3,845,762	72,712
	DRR	166,599	166,599	-
	Discount/premium	213,000	102,300	- 110,700
	Total	4,152,649	4,114,661	- 37,988
SBDC	CTR (no discretionary)	2,936,000	2,967,575	31,575
	DRR	46,767	46,767	-
	Discount/premium	- 1,000	- 53,000	- 52,000
	Total	2,981,767	2,961,342	- 20,425
WDC	CTR (no discretionary)	7,915,000	8,121,522	206,522
	DRR	231,108	231,108	-
	Discount/premium	892,500	440,500	- 452,000
	Total	9,038,608	8,793,130	- 245,478
All	CTR (no discretionary)	22,967,480	23,643,390	675,910
	Discretionary fund	315,000	305,000	- 10,000
	DRR	747,699	747,699	-
	Discount/premium	1,902,500	1,222,500	- 680,000
	Total	25,932,679	25,918,589	- 14,090

**Table 2**

		<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
AVDC	CTR (no discretionary)	8,343,430	8,708,531	365,101
	DRR	303,225	303,225	-
	Discount/premium	798,000	542,700	- 255,300
	Total	9,444,655	9,554,456	109,801
CDC	CTR (no discretionary)	3,773,050	3,845,762	72,712
	DRR	166,599	166,599	-
	Discount/premium	213,000	16,300	- 196,700
	Total	4,152,649	4,028,661	- 123,988
SBDC	CTR (no discretionary)	2,936,000	2,967,575	31,575
	DRR	46,767	46,767	-
	Discount/premium	- 1,000	- 114,000	- 113,000
	Total	2,981,767	2,900,342	- 81,425
WDC	CTR (no discretionary)	7,915,000	8,121,522	206,522
	DRR	231,108	231,108	-
	Discount/premium	892,500	270,500	- 622,000
	Total	9,038,608	8,623,130	- 415,478
All	CTR (no discretionary)	22,967,480	23,643,390	675,910
	Discretionary fund	315,000	305,000	- 10,000
	DRR	747,699	747,699	-
	Discount/premium	1,902,500	715,500	- 1,187,000
	Total	25,932,679	25,411,589	- 521,090

More details regarding the Class D discount are explained in the Discounts and Premiums report.

The above summary shows an overall budgeting impact between the current schemes and those proposed to take effect from 1<sup>st</sup> April 2020. The overall reduction is due in the main to the harmonisation of Premiums and discounts relating to empty properties. This policy has the intended benefit of bringing empty properties back into use as quickly as possible.

### **Summary/Conclusions**

Current estimates of both options show reductions in spending from 1<sup>st</sup> April 2020. However this should be treated with caution, given the variable nature of the caseloads and difficult to predict nature of potential take up in the future.

#### **4. Consultation**

Not Applicable.

<b>Background Papers</b>	None
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