

THE EXECUTIVE

Tuesday, 13 January 2004

Open Report

Agenda Item 6a 2004 / 2005 Council Tax Base (Pages 1 - 17)

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THE EXECUTIVE**13 JANUARY 2004****REPORT FROM THE DIRECTOR OF FINANCE**

The Chair will be asked to determine whether this report may be considered at the meeting under Section 100(4)(b) of the Local Government Act 1972 as a matter of urgency in order to comply with the duty to set the Tax Base for Council Tax purposes by 31st January under Section 67 of the Local Government Finance Act 1992.

2004/2005 COUNCIL TAX BASE	FOR DECISION	
<p><i>This report requires the Executive to note the Authority's Council Tax Base for 2004/2005.</i></p> <p><u>Summary</u></p> <p>This report sets out the calculation of the Council Tax Base for 2004 / 2005 and provides information on new powers available to the Council to reduce discounts for second homes and long-term empty property, and to award locally determined discounts.</p> <p><u>Recommendations</u></p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Note Appendix A setting out the Director of Finance's report on the calculation of the Council's Tax Base for 2004 / 2005, and that pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, note that the amount calculated by the London Borough of Barking & Dagenham Council as its Tax Base for the year 2004 / 2005 shall be 51,055.3 Band 'D' properties; 2. Agree that the discounts for second homes or long term empty properties are not reduced for 2004 / 2005; and 3. Recommend to the Assembly that locally determined discounts should not be awarded for 2004 / 2005. <p><u>Reason</u></p> <p>To comply with statute and assist in the calculation of the Authority's Council Tax for 2004 / 2005.</p>		
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1. Statutory Background

- 1.1 The Council has a duty to set a Tax Base for Council Tax purposes by 31st January each year under Section 67 of the Local Government Finance Act 1992. For previous financial years the Tax Base was required to be agreed by the full Assembly but this requirement was removed by Section 84 of the Local Government Act 2003. The Council's current constitution was amended at the Assembly meeting on 7/1/04 delegating this to the Director of Finance for 2004 / 2005.
- 1.2 The Tax Base must be conveyed to the major precepting Authorities by the 31st January prior to the start of the financial year.
- 1.3 The Tax Base must be calculated in accordance with regulations made by the Secretary of State under Section 33(5) of the Local Government Finance Act 1992. i.e. The Local Authorities (Calculation of Tax Base) Regulations 1992.
- 1.4 For the financial year 2004 / 2005 only, the effective date for the calculation of the tax base has been changed to 20th December due to the late introduction of new regulations.
- 1.5 Appendix A sets out the Calculation of Tax Base.

2. Recent Changes to Regulations

- 2.1 The Local Government Act 2003 has given the Council discretion to vary certain discounts that were previously prescribed. The new powers are to:
 - Reduce the 50% discount on second homes to as little as 10%
 - Reduce, or remove entirely, the 50% discount for properties that have been empty for more than six months
 - Award 'locally determined discounts' of up to 100%, determined by categories of properties or persons, or on a case by case basis.
- 2.2 The Act came into force on 18th November 2003, and secondary regulations enabling the powers contained in the act came into force on 20th December.
- 2.3 The Council must make a decision on whether to exercise these new powers prior to the start of the each financial year. The decision to allow a local discount must be made by a full assembly of the Council, but decisions to change the discount allowed for second homes or long term empties can be delegated by the Council to the Executive or to an officer of the Council. Assembly has delegated the setting of the Council Taxbase to the Director of Finance for 2004/2005. It is considered however that decisions about discounts for second homes or long term empties would fit within the remit of the Executive's powers.
- 2.4 Members or officers involved in making a decision under the new regulations should give consideration as to whether they need to declare an interest or abstain from the decision making process if they would directly benefit from a decision.
- 2.5 An assessment of the implications of each of these new powers is detailed below.

3. Second Homes

- 3.1 The Council now has the power to reduce the statutory discount of 50% for second homes to as little as 10%. A mandatory discount of at least 10% has been retained to give owners of second homes a financial incentive to notify the Council that the property is a second home.
- 3.2 The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 define a second home as any property which is furnished but is not anyone's sole or main residence. This means that in addition to genuine second homes any properties which are furnished but unoccupied (for example a property that is normally let on a furnished basis but is not currently tenanted) will also be subject to the same reduction in discount.
- 3.3 Any additional capacity to raise revenue by lowering the discount will not be reflected in the Council Tax base used for the calculation of the revenue support grant, but will be reflected in the tax base for the setting of the Council Tax, and the tax base for precepting authorities. This effectively means that additional revenue raised in this way will be retained by the Council and the precepting authorities.
- 3.4 An exercise to identify second homes carried out in October 2003 identified just 49 properties, equivalent to 32.7 band D properties, within the Borough that fell into this category. The additional Council Tax that could be raised for 2004 / 2005 is estimated to be around £30,000. This would be used to reduce the Council Tax for all payers
- 3.5 Changing the level of discount will require changes to the IT systems and administrative processes, and in view of the small amount of additional revenue that would be raised it is recommended that the discount for second homes should not be varied from the statutory 50%.
- 3.6 This decision will be reviewed each future year.

4. Long Term Empty Properties

- 4.1 The Council now has the power to reduce or remove entirely the statutory discount of 50% for long-term empty property. The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 define a property as long term empty if it has been unoccupied and unfurnished for more than six months.
- 4.2 Any additional capacity to raise revenue by lowering or removing the discount will not be reflected in the Council Tax base used for the calculation of the revenue support grant for 2004 / 2005, but will be reflected in the tax base used for the calculation of the grant for subsequent years. This means that for 2004 / 2005 only the Council will effectively retain revenues raised by reducing the discount on long term empty properties. However there are indications that the ODPM are considering clawing this back in future years.
- 4.3 An exercise to identify long term empty property carried out in November 2003 identified 616 properties in this category which equates to 471 band D equivalents. However, of these 103 band D equivalents are empty LBBB Housing properties and an increased charge against these properties would have to be met by the Housing

Revenue Account. These figures are a 'snapshot' of the property base at the time of the estimate and will inevitably vary over the course of the year. Unfortunately there is no historical data available to identify trends in the number of long term empty properties so estimates are based purely on the information at the time of the exercise.

- 4.4 The potential revenue and the cost to the Housing Revenue Account for differing percentages of discount are shown in the table below (assuming a 10% increase in the LBBB element of the Council Tax).

% Discount Allowed	Additional Revenue for LBBB into the Collection Fund	Cost to Housing Revenue Account
0	£208k	£60k
10	£166k	£48k
20	£125k	£35k
30	£83k	£24k
40	£42k	£12k

- 4.5 A significant number of the long-term empty properties are Council Housing properties that have been earmarked for demolition. In total there are 118 properties, that is 78.7 band D equivalents. If these properties are demolished prior to the start of the financial year the potential revenue and cost is as follows:

% Discount Allowed	Additional Revenue for LBBB into the Collection Fund	Cost to Housing Revenue Account
0	£173k	£14k
10	£139k	£11k
20	£194k	£8k
30	£69k	£6k
40	£35k	£3k

Different Council Tax increases would give marginally different revenues. Any additional revenue to the Council would be used to reduce the Council Tax for all payers and would not be available for spending on services.

- 4.6 The full assembly of the Council can choose to award a locally determined discount to long term empty properties owned by the Borough to offset the cost to the Housing Revenue Account. However, the cost of the discount would have to be met from the Council's general fund, and therefore by Council Taxpayers. Paragraph 5 below covers these.
- 4.7 If the discount for long term empty properties is set at less than 25% it would be financial advantageous to the tax payer to claim that the property is occupied by one adult and therefore claim a discount of 25%. This may make any scheme with a discount of less than 25% difficult to administer.
- 4.8 In order to reduce the discounts for second homes or long term empty property enhancements would be required to the Council Tax computer system. The computer system is an in-house designed mainframe system which means all

development work would need to be undertaken in-house and the IT development team estimate that a minimum of 35 days development work would be needed. This work would also require support from Revenues Services to specify enhancement and to test outputs.

- 4.9 Implementing variations to discounts for the 2004 / 2005 financial year will require changes to the core functionality of the system at a particularly sensitive time of the year immediately prior to the annual billing process. Any delays could result in a delay to the issue of annual bills.
- 4.10 The developments would also take resources away from working on initiatives to improve collection rates and service delivery.
- 4.11 In view of the operational difficulties associated with changing the discount for the next financial year, it is recommended that no variation is made to the statutory discount at the present time, however the position will be reviewed for 2005/06.

5. Locally Determined Discounts

- 5.1 The Local Government Act 2003 gave the Council the power to award locally determined discounts. Such discounts can be for any amount up to 100% of the Council Tax charge and can be set by reference to the category of property, or occupier, or on a case by case basis.
- 5.2 The Government has given an example of how it anticipated the new power could be used by local Councils. This was to allow a discount of anywhere up to a 100% where a person was unable to live in their property for a temporary period due to circumstances outside their control, for example a natural disaster such as flooding.
- 5.3 Funding Local Discounts
 - 5.3.1 Since this type of discount will be set locally, the full cost of the discount is to be borne by local tax payers, so effectively the overall level of Council Tax will need to be increased to offset the cost of any discounts.
 - 5.3.2 In order to achieve this, the new regulations require the billing authority (LBBD) to transfer a sum equal to the amount of local discounts from its general fund to its collection fund. This will ensure that the billing authority meets the whole cost of the discounts in its own budget requirement and Council Tax calculations.
 - 5.3.3 Where a taxpayer receives Council Tax benefit, the Council receives 95% subsidy for the benefit awarded. If a local discount is granted to a taxpayer who receives Council Tax Benefit the Council will lose the grant of 95% of the amount of the discount. However this amount will still be required to be paid into the collection fund, so effectively in these cases the burden will be moved from national taxpayers to other local taxpayers.
 - 5.3.4 This may be offset slightly, because the bill for taxpayers who do not receive a discount will be higher, and the amount received as a subsidy grant for those in receipt of Council Tax Benefit will also be higher.

5.3.5 In addition to the element of the Council Tax for the Council there is also a precept from the Greater London Authority (GLA). For 2003/04 this precept made up 21.4% of each bill and any local discount will also apply to the GLA element of the bill. However, the local discounts can not be reflected in the tax base that is provided to the GLA in order to calculate its precepts. This means that local taxpayers who do not get a discount will also be required to fund the shortfall to the GLA resulting from local discounts.

5.4 Pensioner Discounts

5.4.1 There has been considerable recent publicity regard the potential for Council's to award discounts to pensioners using their new powers. In particular Kent County Council had proposed to award a discount to pensioners to offset any rise in Council Tax above the rate of inflation.

5.4.2 A group of County Council's, including Kent, sought a counsel's opinion on the legality of this proposal and following the counsel's advice have now rejected the proposal. The counsel's opinion was that although a pensioner rebate scheme would be within the law, the Council would be at risk of legal challenge from other low-income groups seeking a discount.

5.4.3 The cases for and against granting discounts to pensioners are briefly set out in Appendix C.

Indications are that no Council in London is proposing pensioner discounts and the Office of the Deputy Prime Minister is neutral about them.

5.5 The Financial Impact of Pensioner Discounts

5.5.1 The Council Tax database does not hold detailed records of which properties are occupied by pensioners and any estimate of the financial impact of pensioner discounts can only be regard as a very approximate guide.

5.5.2 The following estimates were made using data collected by the national statistics office during the 2001 census which showed the following:

	% of Households in LBB	% of Households Nationally
Pensioners (over 60's) living alone	15.2	14.4
Other all pensioner households	7.5	9.4
Total all pensioner households	22.7	23.8

5.5.3 It is not known how these percentages are spread across the different Council Tax bands so for the purpose of this estimate it is assumed that pensioner household are spread proportionately across the Council Tax bands.

Based on these broad assumptions it is assumed that there are 9,840 Band D equivalent all pensioner households. However, this is very broad brush.

5.5.4 The cost to the Council which would fall on the General Fund of granting a pensioner discount will vary dependant on the overall Council Tax increase. But if the Council Tax increase for pensioners was limited to 2½% the following costs are estimated.

£410k	Based on 6.5% Council Tax increase (5% for LBBD, 11.9% for GLA)
£815k	Based on 10.4% Council Tax increase (10% for LBBD, 11.9% for GLA)
£1,220k	Based on 14.3% Council Tax increase (10% for LBBD, 11.9% for GLA)

Essentially as these costs would need to be borne by other taxpayers (or service reductions) it would increase the Council Tax for the other payers by a further (a) 0.9%, (b) 1.8% or (c) 2.8% depending on the overall level of increase.

5.6 Recommendations – Local Discounts

5.6.1 It is recommended that pensioner discounts are not introduced for the financial year 2004 / 2005 for the following reasons:

- a) There is the potential for a legal challenge to be made against a decision in favour of awarding discounts to pensioners
- b) Additional research is required on this issue before the impact can be fully assessed and it would be hasty to make a decision based on the information available at this stage.
- c) Allowing these discounts may reduce the amount of benefit subsidy received from central government leaving a shortfall to be made up by local taxpayers.
- d) Amendments to IT systems will require resources to be diverted away from working on initiatives to improve collection rates.
- e) Trying to achieve the timescales necessary to make a decision for the next financial year would place considerable pressure on the Council Tax and IT teams.
- f) The headline Council Tax level would increase by a higher proportion than would be necessary without the discounts at a time when the government is considering reintroducing caps on Council Tax increases.
- g) There would be considerable operational difficulties in obtaining information about which households were entitled to a discount. For example it may be necessary to canvass all 68,000 properties.

- 5.6.2 It is recommended that existing resources should be targeted at ensuring pensioners, and other low income groups, receive Council Tax Benefit and discounts where they are eligible and further research is carried out on the potential for awarding local discount for financial years following 2004 / 2005.
- 5.6.3 It is recommended that no other locally determined discounts be awarded for 2004 / 2005, but the position be kept under review in the light of experience from other Councils.

Appendices

- A. Calculation of the Council Tax base.
- B. Details of the number of properties in each band used in the calculation.
- C. Examination of the cases for an against pensioner discounts.
- D. Operational issues associated with pensioner discounts.

Background Papers

Council Tax CTB1 return 2004 / 2005

Calculation of Tax Base**1. Calculation of Tax Base**

- 1.1 The valuation of properties for Council Tax purposes is carried out by the Valuation Office Agency.
- 1.2 For Council Tax purposes each property is placed in a band based on its open market value as at 1st April 1991. The bands are as follows:-

Range of Values Band		Valuation
Values not exceeding	£40,000	A
Values exceeding £40,000	but not exceeding £52,000	B
Values exceeding £52,000	but not exceeding £68,000	C
Values exceeding £68,000	but not exceeding £88,000	D
Values exceeding £88,000	but not exceeding £120,000	E
Values exceeding £120,000	but not exceeding £160,000	F
Values exceeding £160,000	but not exceeding £320,000	G
Values exceeding	£320,000	H

- 1.3 The Tax Base is calculated in terms of the equivalent number of Band 'D' properties after discounts and exemptions have been taken into account. There are statutory ratios which determine the proportion of the band D charge that will be charged for a property in each band. The ratios are as follows:

A = 6/9ths	E = 11/9ths
B = 7/9ths	F = 13/9ths
C = 8/9ths	G = 15/9ths
D = 1	H = 18/9ths

- 1.4 The standard Council Tax is set in relation to Band 'D' properties, this will mean that somebody living in a Band 'A' property pays 2/3rds of the standard amount whilst somebody in a Band 'H' property pays twice the standard amount.
- 1.5 The full Council Tax charge is based on the assumption that the property is occupied by two or more adults. However, some properties are exempt from any charge, and others qualify for a discount. In determining the Tax Base the following discounts and exemptions are taken into account:-

a) Single Person Discount

Where only one adult lives in the property the Council Tax bill for that property is reduced by 25%.

b) Status Discounts

For the purpose of determining the number of adults living in the property certain categories of people are not taken into account. Examples include:

- Full time students and student nurses
- Recent school leavers
- People with severe mentally impairment
- People living in a nursing or care home
- Certain care workers
- People in prison

Where the number of adults to be counted after allowing these discounts is one, a 25% discount is allowed. Where the number of adults is nil a 50% discount is allowed.

c) Empty Properties

Properties that are unoccupied, but not exempt, are entitled to a 50% discount.

d) Exemptions

There are 23 categories of property which are exempt. The main exemptions that apply in Barking and Dagenham are:

- Unoccupied properties (for the first six months they are unoccupied)
- Properties undergoing major repairs
- Properties left unoccupied because the occupier has died
- Properties occupied only by full time students
- Properties occupied only by people with severe mental impairment

e) Reductions for People with Disabilities

Under certain circumstances, a property that is the home of a person with a disability is charged at the rate for the band below that which would normally be charged. For properties in band A the charge is reduced by 1/9th of the band D charge.

- 1.6 The Council was required to make a return to the Office of the Deputy Prime Minister by the 14 November 2003, setting out the number of properties in each valuation band based on the valuation list on the 16th October 2003, together with the number of discounts and exemptions as recorded on the Council's database on the 3rd November 2003. The tax base shown on this return was 52,061.9 band D equivalent properties.

- 1.7 For the purposes of setting the tax base for calculating the Council Tax, the information to be used is that recorded in the valuation list and the Council Tax records as at 20th December. The number of band D equivalents for each property band at that date is shown below with a comparison to the figures at the time the tax base was set for 2003/04.

2003/04			2004/05	
Last Year Totals	Band 'D' Equivalents	Band	Total	Band 'D' Equivalent
3.00	1.7	A*	2.50	1.4
6,288.75	4,192.5	A	5,822.00	3,881.3
8,772.00	6,822.7	B	8,368.75	6,509.0
36,742.00	32,659.6	C	36,109.00	32,096.9
7,064.00	7,064.0	D	7,071.75	7,071.8
1,612.75	1,971.1	E	1,592.50	1,946.4
303.50	438.4	F	294.25	425.0
44.50	74.2	G	42.00	70.0
2.25	4.5	H	3.50	7.0
60,832.75	53,228.7		59,306.25	52,008.8

*Disabled person's reductions

2. Adjustments

- 2.1 When determining the tax base for the purpose of setting the Council Tax an allowance must be made for a number of factors such as:

- New properties expected to be completed
- Properties expected to be demolished
- Anticipated change to the number discounts and exemptions
- An allowance for non-collection

- 2.2 For 2004/05 the only significant adjustments to be made are in respect of new properties and the allowance for non-collection. The adjustments, expressed as band D equivalents, are shown below.

Basic tax base at 20 th December 2003	52,008.8
New properties anticipated to be completed by 31st March 2004.	177.3
New properties anticipated to be completed during 2004/05	198.0
Properties anticipated to be demolished during 2004/05	-19.7
	52,364.4
Losses on collection allowance at 2.5%	- 1,309.1
Final Tax Base for 2004/05	51,055.3

- 2.3 When compared to the Tax Base for 2003/04 of 51,921.0, there has been a reduction equivalent to 865.7 band D properties (1.7% of the Tax Base). This is primarily due to a data matching exercise carried out between the Council Tax and Housing Benefit databases which identified a number of properties that were entitled to discounts. In addition, 2003/04 has seen an increase in the number of successful applications for discounts and

exemptions which is partly due to improvements in the way the Council has publicised their availability.

- 2.4 Full details of the reduction in the Council Taxbase and impact on the Council were reported to the Executive on 23/12/03.
- 2.5 A fully detailed calculation of the tax base is contained in Appendix B.

Appendix B

Council Tax Base calculation for 2004/05 based on the Council Tax database as at 20th December 2003

	Band A entitled to disabled reduction	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	TOTAL
1	Total number of dwellings on the Valuation List	7,462	10,017	40,830	7,811	1,746	312	45	23	68,246
2	Number of exempt dwellings (Class A to W exemptions)	454	421	857	144	29	6	1	5	1,917
3	Number of demolished dwellings and dwellings outside area of authority	-	-	-	-	-	-	-	-	-
4	Number of chargeable dwellings	7,008	9,596	39,973	7,667	1,717	306	44	18	66,329
5	Number of chargeable dwellings subject to disabled reduction	3	22	197	57	12	3	7	13	314
6	Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	22	197	57	12	3	7	13		314
7	Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, simply line 6)	7,027	9,771	39,833	7,622	1,708	310	50	5	66,329
8	Number of dwellings in line 7 entitled to a 25% discount on 3 November 2003	4,466	5,395	14,412	2,079	410	41	2	0	26,807
9	Number of dwellings in line 7 entitled to a 50% discount on 3 November 2003	177	107	242	61	26	11	15	3	642
10	Number of dwellings in line 7 assumed to be entitled to no discounts (lines 7-8-9)	2,384	4,269	25,179	5,482	1,272	258	33	2	38,880
11	Total equivalent number of dwellings after discounts, exemptions and disabled relief (to 2 decimal places) [(line 8 x 0.75) + (line 9 x 0.5) + line 10]	5,822.0	8,368.7	36,109.00	7,071.75	1,592.5	294.25	42.00	3.50	59,306.25
		0	5			0				
12	Ratio to band D charge	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
13	Number of band D equivalents (to 1 decimal place)	3,881.3	6,509.0	32,096.9	7,071.8	1,946.4	425.0	70.0	7.0	52,008.8
14	Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2003/04 (to 1 decimal place)									

Pensioner Discounts

The Case for Pensioner Discounts

- 1.1 Over recent years Council Tax increases have far outstripped rises in pensions, and as a result many pensioners now find that the paying the Council Tax bill takes up a significantly higher proportion of their income than it did just a few years ago.
- 1.2 Although pensioners on a low income can claim Council Tax Benefit many view this as an intrusive process since it is means tested. Research suggests that many pensioners do not claim, either, because of this perceived intrusiveness, because they are unaware that they are entitled to the benefit, or because they have difficulty filling in a lengthy and difficult form.
- 1.3 Suggestions for pensioner discounts have ranged from using the discount to restrict the Council Tax rise to the rate on inflation, to allowing a blanket discount of a set percentage.

The Case Against Pensioner Discounts

- 1.4 There is already a safety net in place to help people on a low income in the form of Council Tax Benefit. Since this benefit is means tested the people most at need are those that benefit. A local pensioner discount would give a reduction to all pensioners regardless of their ability to pay.
- 1.5 Other local taxpayers will have to foot the bill for pensioner discounts and, unless discounts are targeted at those pensioners not receiving Council Tax benefit, there would be a loss of benefit subsidy grant which will shift the burden of taxation from national to local taxpayers.
- 1.6 The main arguments used in favour of discounts for pensioners also apply to other sectors of the community. Unless a pensioner discount scheme is very carefully designed, and incorporates an element of means testing, it is likely to lead to a situation where poorer members of the community, who are not pensioners, effectively contribute to a scheme which subsidises the cost of Council Tax to all pensioners including those who are relatively wealthy.

The Practicalities of Administering a Pensioner Discount Scheme

- 1.7 A wide range of operations issues need to be addressed to administer a local discount scheme such as pensioner discounts. These issues are considered in more detail in Appendix D.

Operational Issues Associated with a Local Pensioner Discount Scheme

Implementing a pensioner discount scheme would have a significant impact on the Council Tax team within Revenues Services. Examples of the operational issues that would need to be considered are as follows:

1. A full database of pensioners does not exist and it may require a survey of all 68,000 properties in the borough to fully cost the scheme. (The Council Tax records do not hold pensioner details as it is not accepted by current Data Protection rules).
2. Once the Council has made a decision to implement the discounts there is an obligation to take reasonable steps to establish whether a person is entitled to the discount. It would probably be necessary to send a mail shot to all properties inviting applications to ensure all customers were aware of the scheme. The postage alone for this sort of exercise would cost in the region of £13,000.
3. The current resources employed on the Council Tax service would be inadequate to cope with a promotion on this scale and the initial administration. It would be necessary to buy in additional resources for a short time which may not be readily available.
4. It would be necessary to ensure there are adequate controls in place so that discounts are only granted to those entitled to them. A decision on the level of proof of entitlement needed would have to be taken in conjunction with internal and external auditors and could range from requiring a form to be completed and signed, to asking for proof of age.
5. There is a recognised literacy problem within the Borough and it would be important to ensure that publicity is presented in a format accessible to people with literacy problems, and that support is provided for people who have difficulty in completing forms.
6. Publicity would need to be provided in community languages to ensure all customers are aware of the scheme.
7. It would be necessary to specify enhancements needed to the in-house Council Tax computer systems, carry out the development work and test the resulting outputs. Using ICT development resources in this way would affect the current planned programme of work in progress to help improve collection rates.
8. Amendments would be required to print files and bill templates.
9. There may be insufficient resources (even if bought in) on both the Council Tax and ICT Development teams to complete the enhancement process prior to issuing annual bills for 2004/05.
10. There would be a need for training to ensure the scheme is administered correctly.

11. Administering the scheme on a daily basis may require additional staff resources. For example it would be necessary to amend accounts when a person reached pensionable age and, depending on the scheme, when someone of non-pensionable age joined the household.
12. There would be a right of appeal against a decision not to award a discount and it would be necessary to ensure the requirements for entitlement and administration are specific enough to prevent appeals.

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