



Mayor and Cabinet

Report title: Setting the Council Tax Base, the NNDR Tax Base & Discounts for Second Homes and Empty Homes

Date: 12 January 2022

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Executive Director for Corporate Resources

Outline and recommendations

Outline

The purpose of this report is to ask the Mayor and Cabinet to recommend that Council set the Council Tax Base on the 19 January 2022, note the 2022/23 NNDR estimated income, delegates final approval of the NNDR1 form to the Executive Director for Corporate Resources and approves the revised policy relating to discounts for second / empty homes, the continuation of the discretionary Council Tax discount for care leavers and the introduction of a sanctuary discount, for 2022/23.

Recommendations

Mayor and Cabinet is asked to approve the recommendations set out in section 2 of this report.

Timeline of engagement and decision-making

- The 2021/22 Council Tax reduction Scheme was agreed by Council on the 20 January 2021
- The 2020/21 Council Tax Reduction Scheme was agreed by Council on the 22 January 2020.
- The 2019/20 Council Tax Reduction Scheme was agreed by Council on the 23 January 2019.

1. Summary

- 1.1 This report sets out the statutory calculations required in order to set the Council Tax Base and estimates the National Non-Domestic Rates (NNDR) tax base for 2022/23. The Council Tax Base and NNDR estimates are statutory obligations and are key elements in setting the General Fund revenue budget.
- 1.2 The report provides information on the Council Tax Base. There are also a series of discretionary powers which allows the Council to grant and vary discounts for various types of properties with the aim of bringing as many as possible back into use as soon as possible. These are set out in section five of this report.
- 1.3 The Council also has the ability to offer discretionary discounts to individuals, groups of individuals or, households but the cost is borne by all other Council Tax payers. The report recommends the continuation of the discretionary Council Tax discount of 100% for care leavers, and the introduction of a 25% sanctuary discount to residents currently in receipt of a single person discount who accommodate a refugee in their home, as set out in section six of this report.
- 1.4 The report recommends that the Council Tax Base for 2022/23 be agreed at 88,904.9 Band D equivalent properties, based on an assumed collection rate of 95.0%. The current Council Tax Base is 88,614.2 Band D equivalent properties based on an assumed collection rate of 95%. Details of the Council Tax Base, its calculation and the estimated collection rate are set out in sections six, seven, and eight of this report.
- 1.5 The NNDR1 return, which estimates the annual business rates yield, is currently being completed and is due to be submitted to the Department of Levelling Up, Housing and Communities (DLUHC) by the end of January 2022. There will be further updates that affect the values on this return over the coming weeks before the submission deadline, including recent announcements of further reliefs for 2022/23. It has therefore been necessary to provide an estimated income value. On this basis, the provisional NNDR net yield figure for 2022/23 is £70m.
- 1.6 The requirements pertaining to the NNDR Base for 2022/23 are set out in section ten of this report.
- 1.7 The Council, at the full Council meeting on the 20 January 2021, agreed no changes to the Council Tax Reduction Scheme (CTRS) for 2021/22 and Council is now asked to agree that no changes be made for 2022/23, i.e. eligible claimants will need to make a minimum contribution of 25% towards their council tax. The impact of implementing this is set out in section ten.

2. Recommendations

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- 2.1 Mayor and Cabinet is asked to:
- 2.2 note the Council Tax Base calculation for 2022/23, as set out in the annual Council Tax Base government return, attached at Appendix A;
- 2.3 recommend Council agree a Council Tax Base of 88,904.9 Band D equivalent properties for 2022/23;
- 2.4 recommend Council agree a budgeted Council Tax collection rate of 95.0%;
- 2.5 recommend Council agree no changes be made to the Council Tax Reduction Scheme (CTRS) for 2022/23, that eligible claimants make a minimum contribution of 25% towards their council tax;
- 2.6 recommend Council approve the continuation of the discretionary Council Tax discount of 100% for care leavers up to the age of 25, as set out in section five of this report;
- 2.7 recommend Council agree that the existing policy of a 0% discount for second homes for 2020/21 be continued for 2022/23, as set out in section five of this report;
- 2.8 recommend Council agree that the existing policy of a 0% discount for empty homes Class A (an empty property undergoing structural alteration or major repair to make it habitable) be continued, as set out in section five of this report;
- 2.9 recommend Council agree that the existing policy of a 100% discount awarded for a period of four weeks and then a 0% discount thereafter, for empty homes – Class C (a substantially empty and unfurnished property) be continued, as set out in section five of this report;
- 2.10 recommend Council agree that the existing Long Term Empty Property homes premium of 100% for properties empty between 2 and 5 years, and 200% for those empty for over five years continues, and introduce a 300% premium for properties that remain empty for 10 years or more, as set out in section five of this report;
- 2.11 recommend Council agree the introduction of a 25% 'sanctuary' discount to ensure residents eligible for a single person discount are not financially worse off as a result of housing a refugee, as set out in section five of this report;
- 2.12 note the proposed 2022/23 National Non Domestic Rate (NNDR) estimated net yield of £70m, based on current information available and excluding any potential additional Covid reliefs or rateable value changes.

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- 2.13 recommend Council agree to delegate the approval of the final 2022/23 NNDR1 form to the Executive Director for Corporate Resources for submission by the deadline of 31 January 2022.

3. Policy Context

- 3.1 The Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:

Corporate Priorities

- **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
 - **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
 - **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
 - **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
 - **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
 - **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
 - **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.
- 3.2 As the Council seeks to support the borough and its businesses and residents through the pandemic and beyond, this recovery is based on the four key themes of Future Lewisham, these are:
- A Greener Lewisham;
 - A healthy and well future;
 - An economically sound future; and
 - A future we all have a part in.
- 3.3 The setting of the Council Tax Base, collection rate, the Council Tax Reduction Scheme and the various discounts to properties will directly support the theme of an economically sound future for the borough and its residents.

4. Background

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- 4.1 The calculation of the Council Tax Base has been prepared in accordance with the regulations 'Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012: 2914)' which came into force on 30 November 2012, to ensure the calculation of the Council Tax Base takes account of local council tax reduction schemes. These regulations specify the formulae for calculating the tax base, which is detailed in sections six and seven of this report.
- 4.2 The purpose of this calculation is to set the Council's Tax Base and not the Council Tax itself. The Council Tax will be set at the meeting of full Council on 2 March 2022 as part of setting the Council's annual budget.
- 4.3 The Council Tax Base is defined as the number of Band D equivalent properties in a local authority's area. An authority's Tax Base is taken into account when it calculates its Council Tax. It is calculated by adding together the 'relevant amounts' (the number of dwellings) for each valuation band, then multiplying the result by the Council's estimate of its collection rate for the year. This calculation is set out in section eight of this report.
- 4.4 Members should note that the Welfare Reform Act 2012 abolished Council Tax Benefit in March 2013 and replaced it with the Council Tax Reduction Scheme (CTRS).

5. Local Discretion

- 5.1. The Council has the power and local discretion to grant and vary discounts for different types of properties under Section 11a of the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2003 and the Local Government Finance Act 2012.
- 5.2. The local discretion to grant and vary discounts enables local authorities to create greater financial incentives for owners of empty properties to bring them back into use, either for owner occupation or letting.
- 5.3. Second Homes – Currently, local authorities have discretion to offer a discount of between 0% and 50% to owners of second homes. The Council currently offers a 0% discount. It is proposed to retain the 0% discount for 2021/22.
- 5.4. Empty Property Class A exemptions – Currently, a discount can be awarded between 0% to 100% at the Council's discretion where the property is undergoing structural alteration or major repairs. The Council is being recommended to retain the 0% discount on these properties.
- 5.5. Empty Properties Class C exemptions – Currently, 100% discount is awarded for four weeks to substantially empty and unfurnished properties. After four weeks, the discount ceases and the full charge is applicable. The Council

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wants to encourage properties to be occupied as soon as possible. However, in many cases properties can be empty for a short period during a changeover, especially where the property is let. Amounts due for these short periods would be more difficult to collect. For these reasons, it is recommended that the Council continues to offer a 100% discount for four weeks followed by a 0% discount.

- 5.6. Long Term Empty Properties empty homes premium – Section 11 of the Local Government Finance Act 2012 removed the discount for long term empty properties and introduced discretion to charge up to 50% premium on this category of properties. A long term empty home is defined as a dwelling which has been unoccupied and substantially unfurnished for a continuous period of 2 years.
- 5.7. In November 2018 the Act was amended increasing the premium from 50% to 100% effective from 1 April 2019, with further incremental increases in future years. The Council currently charges a premium of 100% additional council tax on properties that have been empty and substantially unfurnished for 2 years but less than 5 years, and 200% additional council tax on properties that have remained empty and substantially unfurnished for 5 years but less than 10 years.
- 5.8. The Council is being recommended to agree the maximum premium of 300% of the standard Council Tax to properties that remain empty and substantially unfurnished for 10 years or more, effective from 1 April 2022. This will mean that the total cost will be 400%, being the standard Council Tax annual charge plus the 300% premium.
- 5.9. The premium is calculated by taking the council tax liability that would normally be levied at the relevant band amount (assuming no other reductions apply ie. single person discount) and adding the additional percentage increase based on the empty property period as set out below:

Long term empty property criteria giving rise to additional council tax premiums;	Additional council tax premium percentage applicable
For Properties which have remained empty for at least 2 Years	100%
For Properties which have remained empty for less than 5 Years	100%
For Properties which have remained empty for at least 5 but less than 10 Years	200%
For Properties which have remained empty for at least 10 Years	300%

- 5.10. Section 13A(1)(c) of the 1992 Local Government Finance Act 1992 gives local authorities the ability to offer discretionary discounts to individuals, groups of individuals or households encountering exceptional financial hardship. The

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legislation allows the Council to reduce or write off a percentage of the amount payable or the entire sum. The cost of the write-off is borne by the remaining Council Tax payers or, the Council budgeting for less Council Tax income.

- 5.11. Since 1 April 2015 this section of the Act has mainly been used to help those impacted by the introduction of the Council's local Council Tax Reduction Scheme. However, from 1 April 2018 the Council introduced a discount for care leavers. The Council, as corporate parent, is committed to improving the life chances of looked after children and care leavers and provides a range of support to children and young people leaving care. The exemption from paying Council Tax up to the age of 25 is seen as a further opportunity to provide financial support to care leavers transitioning from care into independent living. There are currently 248 recipients of the exemption totalling £257k.
- 5.12. As a Borough of Sanctuary the Council is keen to support residents who wish to assist refugees, asylum seekers and migrants who may otherwise be homeless, and ensure that they are not financially worse off as a result of accommodating them. At present, a resident in receipt of a Single Person Discount who provides accommodation to any of the above will lose their 25% concession. The introduction of a local discount specifically for this purpose, will compensate for this loss and ensure residents are not financially penalised through the loss of their existing Single Person Discount.
- 5.13. Refugees At Home support people who wish to accommodate refugees or asylum seekers, they supported 219 placements across London in 2020-21. Had the total number been equally spread across the Capital only 6 placements would have been made in Lewisham (of the 12 inner London Boroughs that would amount to around 18 placements per year).
- 5.14. The people this will help are:
- People who have been granted refugee status following a successful asylum application (or others in similar circumstances who have been permitted to remain in the UK) but who then have to vacate their housing within 28 days, a period of time which is considered too brief to secure employment or alternative accommodation.
 - Asylum seekers, meaning people who have applied for asylum and whose application is ongoing. This includes people who have arrived in the UK informally and reported to the Home Office.
 - People who have been refused asylum and are appealing. This includes people of a range of nationalities, including Syrians, Iraqi, Afghani and Somali.
- 5.15. The Sanctuary discount will only be awarded to those residents who accommodate a refugee via Refugees At Home or another similarly recognised organisation. This will have the advantage of pre-assessment and verification of the individual's status, and ensure any resident in this situation is receiving support from a recognised organisation. Residents who accommodate a refugee via another route and are in jeopardy of losing their single person discount will be signposted to Refugees At Home.
- 5.16. It should be noted that approximately 22% of any additional Council Tax income

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generated as a result of the variation in discounts is attributable to the Greater London Authority (GLA) in line with their precept element of the Council Tax.

- 5.17. These discounts and exemptions form part of the Council Tax Base calculation and therefore need to be agreed at this time.

6. The Council Tax Base

- 6.1 The calculation of the Council Tax Base has been prepared in accordance with the regulations 'Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012: 2914)'.

- 6.2 The regulations specify a formula for this calculation, which for 2022/23

is:

$$((H - Q + E + J) - Z) \times (F / G)$$

Where:

H is the number of chargeable dwellings in that band, calculated in accordance with the regulations.

Q is a factor to take account of the discounts to which the amount of Council Tax payable was subject in that band, estimated in accordance with the regulations.

E is a factor to take account of the premiums, if any, to which the amount of Council Tax payable was subject in that band, estimated in accordance with the regulations.

J is the estimated variations in the Tax Base from changes after 30 November 2021 from factors such as:

- New properties and properties being banded.
- Variations in numbers of exempt properties.
- Successful Appeals against bandings.
- Variations in the number of discounts.

Z is the total amount that the authority estimates will be applied in relation to the authority's Council Tax Reduction Scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.

F is the proportion of Council Tax to be paid for dwellings in that band.

G as compared with a Band D property, using the proportions in the 1992 Act.

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6.3 The proportions applicable to the various Council Tax bands (the 'basic' band being D) are as follows:-

Band	A	B	C	D	E	F	G	H
Proportion (ninths)	6	7	8	9	11	13	15	18

6.4 The Council's basic tax is calculated in respect of Band D. Therefore, Band A properties pay 6/9 of the basic tax, Band B properties 7/9 of the basic tax and so on, up to Band H where the tax is 18/9 or twice the tax at Band D.

Band	Relevant Amount (i.e. number of dwellings)
A	3,559.3
B	19,406.2
C	32,862.8
D	23,123.5
E	8,480.7
F	3,709.4
G	2,110.5
H	329.5
Aggregate of Relevant Amounts	93,584.1

7. Calculation of the Council Tax Base

7.1 Regulation 3 of the 'Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012: 2914), requires that the Council's Tax Base for a financial year shall be calculated by applying the formula:

$$A \times B = T$$

Where:

A - is the total of the relevant amounts for that year for each of the valuation bands, which is shown or is likely to be shown for any day in that year in the authority's valuation list as applicable to one or more dwellings situated in its area.

B - is the Authority's estimate of its collection rate for that year.

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T - is the calculated Council Tax Base for that year.

- 7.2 In accordance with the requirements of the regulations and following from the calculations in this report, the calculation of the Council Tax Base for the London Borough of Lewisham in 2022/23 is as follows:

	2020/21	2021/22	2022/23
Total of relevant amounts (A)	92,885.9	93,278.2	93,584.1
X			
Collection rate (B) =	97.0%	95.0%	95.0%
Council Tax Base (T)	90,099.3	88,614.2	88,904.9

- 7.3 The detailed calculations proposed for the London Borough of Lewisham for 2022/23 are set in the annual Council Tax Base return to government, attached at Appendix A.

8. Estimate of the Collection Rate

- 8.1 The Regulations require that the Council estimates its collection rate for the financial year. This is the Council's estimate of the total amount in respect of its Council Tax for the year payable into its Collection Fund and transferable between its General Fund and Collection Fund, and which it estimates will ultimately be transferred.
- 8.2 Council Tax collection in Lewisham has been held steady in recent years, reflecting the work of the service to enforce debts more effectively against those able to pay and to make reasonable arrangements for debtors in genuine financial hardship. However, collection has been more challenging than ever this year owing to the continued impact of the Covid-19 pandemic and is expected to remain so into 2022/23.
- 8.3 Action to recover late or unpaid Council Tax was suspended at the commencement of the lockdown in March 2020. HM Courts & Tribunals Service ceased court activity including issuing summons, holding Liability Order hearings and any action leading to the involvement of Enforcement Agents. As a result of the suspended collection activities, either voluntarily by the Council or imposed by the Government, Council Tax collection was severely impacted in 2020/21 and remains difficult in 2021/22 with the HM Courts & Tribunals Service still not operating at pre-pandemic capacity for most of the year.
- 8.4 Collection will remain challenging in the current uncertain economic environment. The Council continues to collect monies it is owed albeit via a moderated collection process and has implemented additional safeguarding checks to ensure additional help and support is provided where a need is identified.

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- 8.5 The in-year collection rate is reported to members in the regular financial monitoring. It is proposed to maintain the estimated collection rate at 95%, to reflect the ongoing recessionary impact that the pandemic has caused.
- 8.6 The initial Discretionary Hardship Fund (set up to assist those households experiencing exceptional financial hardship) was retracted at the end of March 2015. Claimants who find themselves in this financial position can make an application under Section 13A (1)(c) of the Local Government Finance Act (1992) on the grounds of severe financial hardship. The provision is available irrespective of the Council Tax Reduction Scheme decided upon for future years.

9. 2022/23 NNDR Expected Income

- 9.1 Under the Local Government Finance Act 2012, the system of national pooling of business rates was repealed and replaced with the Business Rates Retention scheme. The new scheme commenced on 1 April 2013 and requires the meeting of full Council to formally approve the NNDR1 return to government by 31 January, immediately preceding the financial year to which it relates.
- 9.2 The NNDR1 contains details of the rateable values shown for the Authority's local rating list as at 30 September. It enables the Council to calculate the expected income in respect of business rates for the year, a proportion of which the Council retains.
- 9.3 Under the 2022/23 system, the London Borough of Lewisham will retain 30% of all business rates collected within the borough, 37% is attributed to the Greater London Authority and the remaining 33%, known as the Central Share, is passed to the Government.
- 9.4 The Government removed the 'no detriment' guarantee 100% pilot pool status for London for 2020/21. However, the GLA and the 33 London billing authorities, through decisions made collectively by the London Councils Leaders Committee and the Mayor, continued the business rates retention pool in 2020/21. With the impact of Covid-19 the Council may now need to contribute to the pool. This depends on how the individual boroughs tax bases have been impacted through the period of disruption due to Covid, the business rates income compensation scheme, and how recovery of the tax base evolves. London ceased pooling for 2021/22 with no decision of future years at present.
- 9.5 The Council is in the process of completing the 2022/23 NNDR1 form which is due for submission on the 31st January 2022. The information used to calculate the net yield in this report is therefore based on the new rateable value and is an estimate. There is an expectation that data requirements for the NNDR1 and NNDR3 returns will change in the future years.

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- 9.6 In summary, the Council estimates that it will collect £70m in 2022/23.
- 9.7 It should be noted the figure above shall be subject to change as a result of recent Government announcements on the various relief schemes. The Council is awaiting full guidance on the Transitional, Retail, Hospitality and Leisure, and the Supporting Small Business schemes for 2022/23. The revised figure will be much clearer in January 2022 when the new software to apply these reliefs becomes available, and when the NNDR1 return is completed.
- 9.8 The full distribution is as shown below:

	2021/22		2022/23	
Business Rates*	Percentage Share	Amount £m	Percentage Share	Amount £m
Central Share	33%	22.44	33%	23.1
Lewisham	30%	20.40	30%	21.0
GLA	37%	25.16	37%	25.9
Total	100%	68.00	100%	70.0

*After allowing for transitional arrangements, small business rate uplift/relief, exemptions, allowances, business rates supplements and BRS relief, collection rate and appeals allowance, and the already known extensions of Covid-19 measures to support the economy.

- 9.9 The Council will keep its entire share, but will also be in receipt of a top-up, the calculation of which is based on the DLUHC calculation of the Council's baseline funding level. This provisional 2022/23 funding level is £95.2m provided in the Local Government Finance Settlement announcement on 16 December 2021.
- 9.10 As the figures included on the NNDR1 return (due for submission by the 31 January 2022) are likely to vary from the estimated level disclosed in this report due to the amendments required for the recently announced additional relief measures, delegation is sought from Council to allow the opportunity to revise the Tax Base and approve a revised and more accurate position.
- 9.11 Mayor and Cabinet is asked to endorse this estimate and agree to recommend to Council the delegation of the approval of the final 2022/23 NNDR 1 return to the Executive Director for Corporate Resources.

10. Council Tax Reduction Scheme (CTRS)

- 10.1 On 1 April 2013 the Council implemented a local CTRS which passed on the government cut in grant in full to 24,648 working age households previously in receipt of Council Tax Benefit. Pensioners are protected from the changes under legislation maintaining their support at least in line with Council Tax Benefit levels.

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- 10.2 On the 12th December 2018, the Mayor decided that no changes should be made to the CTRS for 2019/20 and that the Council should continue to pass on the government cut in funding to working age claimants as was the case for 2020/21 and 2021/22. It is recommended that this should continue in 2022/23. This will mean eligible claimants will need to contribute a minimum of 25% towards their Council Tax.

11. Financial implications

- 11.1 This report proposes that a Council Tax Base of 88,904.9 be set for 2022/23. This represents an increase of 290.7 chargeable dwellings from the Council Tax Base of 2021/22, reflecting a small growth in dwellings and the collection rate held constant.
- 11.2 Officers believe that maintaining the collection rate at 95% for 2022/23 is realistic and prudent based on the sustained impact on collection from the Covid-19 pandemic extending beyond 2021/22 and into 2022/23. In line with current policy, the collection rate target is subject to review annually.
- 11.3 In respect of the Care Leavers exemption the annual cost to date is £257k. In respect of CTRS, the annual cost is approximately £20.524m. This represents General Fund revenue forgone which has been met through reductions in expenditure in other areas of activity. In the short term at least, it cannot be met by increasing the Council Tax of others paying as the Council's Medium Term Financial Strategy already assumes the maximum levels of increase (1.99% annually) without triggering the need for a referendum.
- 11.4 Agreeing the proposed changes to the Council Tax Premium charged to long term empty properties will result in the Council generating an extra £60,000 in Council Tax revenue annually from 13 properties that have been empty for 10 years or more. Moreover, it will discourage owners from keeping much needed residential property in the borough empty.
- 11.5 In respect of the proposed Sanctuary Discount of 25%, there are no detailed figures as to the number of Lewisham residents who may be eligible, to-date there has been only one such case, so it is anticipated that applications will be low. However the scheme is proposed to ensure that those in receipt of the Single Person Discount are no worse off financially and so this is a like-for-like impact on the collection fund.
- 11.6 Consideration has also been given to the unprecedented events brought about by the pandemic, the current economic uncertainty and impact of wider government policy changes. Whilst it is difficult to predict the scale of the ongoing impact, it is inevitable that councils and residents across the country will continue to be affected in some way. People will remain concerned about their future and future household finances. The Council Tax section will continue to apply a supportive approach where warranted, and strive to collect from those with the means to pay.

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12. Legal implications

- 12.1 Members are referred to the legal requirements set out in the body of the report and particularly the changes brought in by the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (section five) and the changes introduced by the Local Government Finance Act 2012, which set out a number of changes for Council tax payers discounts removal of some exemptions relating to empty homes (section six) and the current NNDR system (section ten).
- 12.2 Section 33 of the Welfare Reform Act 2012 abolished Council Tax Benefit. The Local Government Finance Act 2012 amends the Local Government Finance Act 1992 to make provision for council tax support through locally adopted CTRSs. A report setting out the CTRS for 2018/19 was presented to Mayor & Cabinet on 12 December 2018. That Report contained the outcome of the consultation and determined that a local CTRS be retained from 1 April 2019 that passes on any shortfall in government funding, as set out in section 11 and additional support be delivered to the most vulnerable residents through use of the existing provision within Section 13A (1) (c) of the 1992 Local Government Finance Act.
- 12.3 Section 13A(1)(c) of the Local Government Finance Act 1992 provides that the Council may reduce the amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13) to such extent as the billing authority for the area in which the dwelling is situated thinks fit (i.e. discretionary discounts).
- 12.4 Discretionary discounts recognise that an Authority's Local Council Tax Reduction Scheme does not always meet the household's full Council Tax liability. The Council has the right to choose whether to use its powers on a case-by-case basis or it also has the right to specify a class of use. A class of use is where several people who pay Council Tax fall into a group because their circumstances are similar.
- 12.5 In accordance with the Local Government Finance Act 1992 and related Statutory Instruments, the Authority is required to decide its Council Tax Base for 2022/23 by no later than 31 January 2022.
- 12.6 The recommendations in this report relate to non-executive functions in respect of which decisions are reserved to and must be made by Council. Accordingly Mayor and Cabinet are making recommendations to Council only. As such this report is not a Key Decision under the Constitution as no executive decision is being made.

Equalities Legislation

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- 12.7 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 12.8 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 12.9 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.
- 12.10 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 12.11 The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:
- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>
- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

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- 12.12 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty: The essential guide to the public sector equality duty Meeting the equality duty in policy and decision-making.
- 12.13 Engagement and the equality duty: A guide for public authorities Objectives and the equality duty. A guide for public authorities
- 12.14 Equality Information and the Equality Duty: A Guide for Public Authorities
- 12.15 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

13. Equalities implications

- 13.1 Every effort will be made to ensure that Council Tax payers, particularly those who are from disadvantaged groups, receive prompt and accurate Council Tax bills, and that those who are eligible for exemptions and discounts - such as the disabled people, single people and those on low incomes, are encouraged to claim them. Consistent with the Legal Implications noted above.

14. Climate change and environmental implications

- 14.1 There are no specific environmental implications directly arising from this report.

15. Crime and disorder implications

- 15.1 There are no specific environmental implications directly arising from this report.

16. Health and wellbeing implications

- 16.1 There are no specific environmental implications directly arising from this report.

17. Background papers

- 17.1 There are no further background papers relevant to this report.

18. Glossary

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Term	Definition
Council Tax	Council tax is a system of local taxation collected by local authorities. It is a tax on domestic properties. Each dwelling falls into one of eight 'Bands' based on property value, and there are 8 council tax bands in total ranging from A to H.
Council Tax Base	A " tax base " is the number of Band D equivalent dwellings in a local authority area.
NNDR	NNDR stands for National Non Domestic Rates, more commonly known as Business Rates. Business rates in England is a tax on the occupation of non-domestic property.
Council Tax Reduction Scheme (CTRS)	The Council Tax Reduction Scheme provides financial assistance with Council Tax bills for residents who are on a low income. The government abolished the national Council Tax Benefit scheme for working-age people from April 2013, and it was replaced with local schemes decided upon by each individual Local Authority.
Greater London Authority (GLA)	The Greater London Authority (GLA) is a top-tier administrative body responsible for the strategic administration of Greater London.

19. Report author and contact

- 19.1 For further information on this report, please contact:
Katharine Nidd, Head of Strategic Finance, Planning and Commercial on 020 8314 6651 or Mick Lear Acting Director of Resident and Business Services on 020 8314 6040.
- 19.2 Financial implications provided by Katharine Nidd and legal implications by Jeremy Chambers.

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APPENDIX A

CTB Form

CTB(October 2021)
Calculation of Council Tax Base
Please email to : ctb.state@concrete.co.uk
 Please enter your details after checking that you have selected the correct local authority name
Ver. 1.1

Please select your local authority's name from this list

	<input type="text" value="Lewisham"/>
	<input type="text" value="Lewisham"/>
	<input type="text" value="Lewisham"/>
	<input type="text" value="Lewisham"/>
	<input type="text" value="Lewisham"/>

Check that this is your authority:

Local authority name:	Lewisham
Local authority contact name:	0000
Local authority contact telephone number:	
Local authority contact e-mail address:	

CTB(October 2021) Form for **Lewisham** Completed form should be received by DL/NC by Friday 19 October 2021

Dwellings shown on the Valuation List for the authority on Monday 13 September 2021	Band A entitled to disabled relief reduction	Band A COLUMN 1	Band B COLUMN 2	Band C COLUMN 3	Band D COLUMN 4	Band E COLUMN 5	Band F COLUMN 6	Band G COLUMN 7	Band H COLUMN 8	Band I COLUMN 9	TOTAL COLUMN 10
Part 1											
1. Total number of dwellings on the Valuation List		8,204	35,465	46,830	37,196	7,867	3,794	1,360	181		135,896.0
2. Number of dwellings on valuation list exempt on 4 October 2021 (Class 9 & D to W exemptions)		824	1,188	1,048	377	95	32	19	1		3,574.0
3. Number of demolished dwellings and dwellings outside area of authority on 4 October 2021 (please see notes)		0	0	1	0	0	0	0	0		1.0
4. Number of chargeable dwellings on 4 October 2021 (excluding demolished dwellings etc as exempt (line 1-2-3))		8,380	34,277	45,781	36,819	7,772	3,752	1,341	180		127,246.0
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 4 October 2021		7	85	113	128	47	25	14	8		463.0
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)		7	85	113	128	47	25	14	8		463.0
7. Number of chargeable dwellings adjusted in accordance with line 5 and 6 (line 4-5+6 or in the case of column 1, line 6)		7	8,148	34,345	45,794	36,736	7,716	3,741	1,332	174	127,246.0
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 4 October 2021		5	2,213	17,228	16,185	6,158	1,390	348	545	12	48,942.0
9. Number of dwellings in line 7 entitled to a 25% discount on 4 October 2021 due to all but one resident being discharged for council tax purposes		0	64	422	588	289	71	18	10	1	1,453.0
10. Number of dwellings in line 7 entitled to a 50% discount on 4 October 2021 due to all residents being discharged for council tax purposes		0	4	18	33	43	42	39	37	12	226.0
11. Number of dwellings in line 7 classed as second homes on 4 October 2021 (pulled from Row Empty 9a)			42	178	185	85	28	3	3	0	684.0
12. Number of dwellings in line 7 classed as empty and receiving a 25% discount on 4 October 2021 (pulled from Row Empty 9a)			180	861	890	251	97	38	19	2	1,626.0
13. Number of dwellings in line 7 classed as empty and receiving a discount on 4 October 2021 and not shown in line 12 (pulled from Row Empty 9a)			5	79	74	27	8	3	0	0	187.0
14. Number of dwellings in line 7 classed as empty and being charged the Empty Home Premium on 4 October 2021 (pulled from Row Empty 9a)			129	109	183	30	11	4	2	0	426.0
15. Total number of dwellings in line 7 classed as empty on 4 October 2021 (line 12, 13 & 14)			274	769	897	308	116	43	21	2	2,641.0
16. Number of dwellings that are classed as empty on 4 October 2021 and have been for more than 6 months. <small>16b These properties should have already been included in line 15 above.</small>			202	415	490	179	77	27	15	2	1,410.0
16a. The number of dwellings included in line 16 above which are empty on 4 October 2021 because of the flooding that occurred between 1 December 2019 and 31 March 2020 and are only empty because of the flooding.			0	0	0	0	0	0	0	0	0.0
16c. The number of dwellings included in line 16 above which are empty on 4 October 2021 because of the flooding that occurred between November 2019 and February 2020 and are only empty because of the flooding.			0	0	0	0	0	0	0	0	0.0
17. Number of dwellings that are classed as empty on 4 October 2021 and have been for more than 6 months and are eligible to be treated under empty homes (discount class 1) formerly Class A exemptions. <small>16c These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a above.</small>			0	0	0	0	0	0	0	0	0.0

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CTB(October 2021)

Calculation of Council Tax Base

Please e-mail to: ctbdata@cornwalltax.gov.uk
Please enter your details after checking that you have selected the correct local authority name

Ver 1.1

18. Number of dwellings that are classed as empty and have been empty for more than 6 months excluding those that are subject to empty homes discount class D or empty due to flooding (Line 16 - line 18a - line 18b - line 17) (equivalent to Line 18 in previous forms)		202	415	480	179	77	27	15	2	1,430.0
19. Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Allowance Discount	2	2,753	16,214	26,790	26,182	6,368	2,239	1,941	149	77,796.0
20. Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Allowance discount	5	5,365	16,131	17,015	6,547	1,522	492	194	25	49,256.0
21. Reduction in tax base as a result of the Family Allowance discount (Ded from Family Allowance 18c)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22. Number of dwellings equivalents after applying discounts and premiums to calculate BCGMA	5.0	8,998.0	29,915.0	41,896.3	25,794.0	7,389.8	2,825.5	1,279.2	164.8	115,137.2
23. Ratio to band D	50	69	79	89	99	109	139	159	189	
24. Total number of band D equivalents (to 1 decimal place) (line 22 x line 23)	3.2	4,637.8	23,887.2	37,256.4	25,194.0	8,057.7	3,985.8	2,132.9	329.5	105,587.3
25. Number of band D equivalents of contributions in tax (in respect of Class D exempt dwellings) in 2021-22 (to 1 decimal place)										0.0
26. Tax base (to 1 decimal place) (line 24 and 18 + line 25)										105,587.3
Part 2										
27. Number of dwellings equivalents after applying discounts and premiums to calculate tax base (line 22)	3.75	6,858.75	29,915.00	41,896.25	25,104.75	7,389.75	2,825.50	1,279.75	164.75	115,137.2
28. Reduction in tax base as a result of local council tax support (Ded from CT Support 30c)	1.72	1,817.80	4,996.11	4,715.82	1,961.29	450.22	67.42	13.45	0.20	13,811.4
29. Number of dwellings equivalents after applying discounts, premiums and local tax support to calculate tax base	4.0	5,239.0	24,950.9	36,970.4	23,120.2	6,939.7	2,768.1	1,296.2	164.8	101,525.8
30. Ratio to band D	50	69	79	89	99	109	139	159	189	
31. Total number of band D equivalents after allowance for council tax support (to 1 decimal place) (line 29 x line 30)	2.2	3,259.3	19,699.2	32,892.8	23,120.2	6,692.7	3,799.4	2,110.2	329.5	93,586.1
32. Number of band D equivalents of contributions in tax (in respect of Class D exempt dwellings) in 2021-22 (to 1 decimal place)(line 25)										0.0
33. Tax base after allowance for council tax support (to 1 decimal place) (line 31 and 18 + line 32)										93,586.1

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