

# CHESHIRE EAST SHADOW COUNCIL

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**Date:** 2 December 2008  
**Report of:** Revenues and Benefits Workstream  
**Title** Council Tax Discounts, Exemptions and Payment Dates

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## 1.0 Purpose of Report

1.1 To consider options and recommendations for the following issues:

- Council Tax Discounts and Exemptions
- Instalment dates – Council Tax and Business Rates

## 2.0 Decisions Required

- 2.1 To agree discounts of 25% for both second homes and long-term empty properties.
- 2.2 To agree a policy whereby applications for local discounts are determined by the Borough Treasurer & Head of Assets in consultation with the Portfolio Holder for Resources.
- 2.3 To approve the proposed monthly payment dates for Council Tax as follows:

Cash/cheque payers	1 <sup>st</sup>
Direct debit payers	1 <sup>st</sup> , 5 <sup>th</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> , 22 <sup>nd</sup> and 27 <sup>th</sup>
Half yearly payers	1 <sup>st</sup> April and 1 <sup>st</sup> September
Yearly payers	1 <sup>st</sup> April

- 2.4 To approve the proposed monthly payment dates for Business Rates as follows:

Cash/cheque payers	1 <sup>st</sup>
Direct debit payers	1 <sup>st</sup> , 15 <sup>th</sup> and 27 <sup>th</sup>
Half yearly payers	1 <sup>st</sup> April and 1 <sup>st</sup> September
Yearly payers	1 <sup>st</sup> April

## 3.0 Implications for Transitional Costs

- 3.1 None

## 4.0 Background and Options

- 4.1 **Second Home Discounts** - Currently all three authorities are in a position where discount has been reduced from 50% to 25% for

second homes. This originated from an arrangement with Cheshire County Council to increase income for the provision of Police Community Support Officers. A further reduction is possible up to a maximum of 10%, but a reduction below 25% at other billing authorities has resulted in the integrity of the tax base being compromised. This is because customers advise that properties are occupied on a single person basis instead of as a second home which results in a 25% discount being awarded. Consequently, it is recommended that a discount of 25% continues.

- 4.2 **Long-term Empty Property** - Congleton currently charge full tax following the statutory 6 months exemption period on empty property in an effort to align with their housing strategy and reduce the number of empty properties. Macclesfield and Crewe both charge 50%.

Congleton's long-term empty figures have decreased during the last year whilst Crewe and Macclesfield show increases. Whilst Congleton's policy does appear to be having some effect on the numbers of empty properties being brought back into use, the full impact of the current economic situation may not yet have been felt in terms of properties which may previously have been sold or let quickly but may in future remain empty. A balance should be sought between encouraging the reoccupation of neglected property and imposing what could be perceived as a punitive additional burden on properties that remain empty because of the current housing market. The imposition of a full charge may also encourage taxpayers to advise that properties are occupied on a single person basis as noted in second homes above. Consequently, it is recommended that a discount of 25% is adopted by Cheshire East which results in an alignment between Single Person Discount, Second Homes and Long-term Empties.

- 4.3 **Local Discounts** – Section 13A of the Local Government Finance Act 1992 allows Billing Authorities the discretion to allow local discounts, an example of which would be where properties are flooded. Neither Congleton, Crewe nor Macclesfield has allowed a discount under S13A. Consequently, it is proposed that in line with the recommendation for hardship relief, any applications are determined by the Borough Treasurer & Head of Assets in consultation with the Portfolio Holder for Resources and any appeals are considered by the Cabinet.

- 4.4 **Payment Dates – Council Tax**

**Cash and cheque payers** – The standard instalment date for cash/cheque payers is 1<sup>st</sup> of the month for all three authorities. The proposal is for this to continue.

**Direct Debit** – The current direct debit dates are:

Macclesfield – 1<sup>st</sup>, 5<sup>th</sup>, 12<sup>th</sup>, 20<sup>th</sup> and 27<sup>th</sup>  
Crewe – 1<sup>st</sup>, 8<sup>th</sup>, 15<sup>th</sup> and 22<sup>nd</sup>  
Congleton – 1<sup>st</sup>, 10<sup>th</sup> and 21<sup>st</sup>

In order to minimise disruption to customers and as Direct Debit will be the preferred payment option for the council because of the low cost of collection, the following dates are proposed for Cheshire East:

1<sup>st</sup>, 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 22<sup>nd</sup> and 27<sup>th</sup>

**Half yearly** – Current half yearly dates are:

Macclesfield – 1<sup>st</sup> June and 1<sup>st</sup> October

Crewe – 1<sup>st</sup> May and 1<sup>st</sup> September

Congleton – 1<sup>st</sup> April and 1<sup>st</sup> September

For cash flow purposes it is proposed that dates are aligned with those at Congleton.

**Yearly** – Only Macclesfield offer yearly payment due on 1<sup>st</sup> June. The proposal is to move this date forward to 1<sup>st</sup> April.

**Other instalment arrangements** – Any other instalment schemes are arranged on an ad hoc basis depending on individual circumstances e.g. weekly, 12 monthly. It is proposed that this flexibility is retained.

#### **4.5 Payment Dates – Business Rates**

**Cash and cheque payers** – The standard payment date at Crewe and Congleton is 1<sup>st</sup> whereas Macclesfield use the 15<sup>th</sup>. Again the proposal is for the Cheshire East payment date to be 1<sup>st</sup> of the month.

**Direct Debit** – Crewe and Congleton offer the choice of 1<sup>st</sup> and 15<sup>th</sup> of the month. Macclesfield offer only 27<sup>th</sup>. In order to cause minimum disruption to current direct debit payers and to further encourage direct debit as the preferred method of payment the proposed Cheshire East dates are 1<sup>st</sup>, 15<sup>th</sup> and 27<sup>th</sup>

**Half yearly and yearly** – Payment dates should replicate the dates proposed for council tax above

#### **5.0 Recommendations**

5.1 That the above options and proposals be noted and approved.

***For further information:-***

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