



COUNCIL SUPPLEMENTARY AGENDA

All Members of the Council are
HEREBY SUMMONED
to attend a meeting of the Council
to be held on:

Wednesday, 24 January 2024 at 7.00 pm
Hackney Town Hall,
Mare Street, E8 1EA

Live stream link: <https://youtube.com/live/LIxJV57eHaw>

Back up link: <https://youtube.com/live/-gd50CQOEI4>

Dawn Carter-McDonald
Interim Chief Executive
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www.hackney.gov.uk

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MEETING OF COUNCIL

WEDNESDAY, 24 JANUARY 2024

SUPPLEMENTARY AGENDA

The main agenda can be viewed at:

<https://hackney.moderngov.co.uk/documents/g5666/Agenda%20frontsheet%20Wednesday%2024-Jan-2024%2019.00%20Council.pdf?T=0>

5 Cazenove Results of the By-Election - Report of the Returning Officer and Interim Chief Executive: Enclosed (Pages 9 - 12)

6 Questions from Members of the Public

6.1 To the Cabinet Member for Community Safety and Regulatory Services from Kofo David

Has there been an increase in Hate Crime, Anti-Semitism or Islamophobia within the borough since the Israel and Gaza conflict and how is the Council dealing with it?

6.2 To the Mayor from Heather Mendick

As a Jewish resident I am appalled by the actions of Israel and I want to see Hackney's twinning with Haifa ended. How would the Mayor explain the Council's failure to do this?

6.3 To the Cabinet Member for Climate Change, Environment and Transport from Ruth Jenkins

Would the Council act to safeguard children of Southwold Primary School and park users, as parents have repeatedly requested over at least 5 years, by either installing a zebra crossing between Millfields Park North across Southwold Road towards the school, or putting in place a school crossing patrol / lollipop person?

6.4 To the Cabinet Member for Climate Change, Environment and Transport from Theo Hinton-Hallows

As an alum of Hackney New School, I would like to know why the council is prioritising car parking over providing children with safe means to cycle to school by not choosing option 2 for the Downham Road redesign, despite the council's commitment to reducing car use in the borough.

6.5 To the Cabinet Member for Housing Services and Resident Participation from Leslie-Ann Saunders

Can the Cabinet Member for Housing please provide an update to the achievements and outputs of the Better Homes Partnership over the past 12 months and its plans for the next year?

6.6 To the Cabinet Member for Climate Change, Environment and Transport from Ifeoma Mkpuru

Please could you explain why the recycling bins, located opposite St. Mary's of Eton Church, Eastway E9 have been removed and what the Council's plans are to combat the continued dumping of rubbish within the vicinity and nearby estate?

10 Calculation of 2024/25 Council Tax Base and Local Business Rate Income - Report of the Cabinet Member for Finance, Insourcing and Customer Service: Enclosed (Pages 13 - 28)

Members are to note that this report is late due to the Government's recent introduction of changes to the Business Rates system, additional time is required to process information for inclusion in the report.

Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992, which applies to all elected members

Public Attendance

The Town Hall is open. Information on forthcoming Council meetings can be obtained from the Town Hall Reception.

Members of the public and representatives of the press are entitled to attend Council meetings and remain and hear discussions on matters within the public part of the meeting. They are not, however, entitled to participate in any discussions. Council meetings can also be observed via the live-stream facility, the link for which appears on the agenda front sheet of each committee meeting.

On occasions part of the meeting may be held in private and will not be open to the public. This is if an item being considered is likely to lead to the disclosure of exempt or confidential information in accordance with Schedule 12A of the Local Government Act 1972 (as amended). Reasons for exemption will be specified for each respective agenda item.

For further information, including public participation, please visit our website <https://hackney.gov.uk/menu#get-involved-council-decisions> or contact: governance@hackney.gov.uk

Rights of Press and Public to Report on Meetings

The Openness of Local Government Bodies Regulations 2014 give the public the right to film, record audio, take photographs, and use social media and the internet at meetings to report on any meetings that are open to the public.

By attending a public meeting of the Council, Executive, any committee or sub-committee, any Panel or Commission, or any Board you are agreeing to these guidelines as a whole and in particular the stipulations listed below:

- Anyone planning to record meetings of the Council and its public meetings through any audio, visual or written methods they find appropriate can do so providing they do not disturb the conduct of the meeting;
- You are welcome to attend a public meeting to report proceedings, either in 'real time' or after conclusion of the meeting, on a blog, social networking site, news forum or other online media;
- You may use a laptop, tablet device, smartphone or portable camera to record a written or audio transcript of proceedings during the meeting;
- Facilities within the Town Hall and Council Chamber are limited and recording equipment must be of a reasonable size and nature to be easily accommodated.
- You are asked to contact the Officer whose name appears at the beginning of this Agenda if you have any large or complex recording equipment to see whether this can be accommodated within the existing facilities;
- You must not interrupt proceedings and digital equipment must be set to 'silent' mode;
- You should focus any recording equipment on Councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed.

Failure to respect the wishes of those who do not want to be filmed and photographed may result in the Chair instructing you to cease reporting or recording and you may potentially be excluded from the meeting if you fail to comply;

- Any person whose behaviour threatens to disrupt orderly conduct will be asked to leave;
- Be aware that libellous comments against the council, individual Councillors or officers could result in legal action being taken against you;
- The recorded images must not be edited in a way in which there is a clear aim to distort the truth or misrepresent those taking part in the proceedings;
- Personal attacks of any kind or offensive comments that target or disparage any ethnic, racial, age, religion, gender, sexual orientation or disability status could also result in legal action being taken against you.

Failure to comply with the above requirements may result in the support and assistance of the Council in the recording of proceedings being withdrawn. The Council regards violation of any of the points above as a risk to the orderly conduct of a meeting. The Council therefore reserves the right to exclude any person from the current meeting and refuse entry to any further council meetings, where a breach of these requirements occurs. The Chair of the meeting will ensure that the meeting runs in an effective manner and has the power to ensure that the meeting is not disturbed through the use of flash photography, intrusive camera equipment or the person recording the meeting moving around the room.

Advice to Members on Declaring Interests

If you require advice on declarations of interests, this can be obtained from:

- The Monitoring Officer;
- The Deputy Monitoring Officer; or
- The legal adviser to the meeting.

It is recommended that any advice be sought in advance of, rather than at, the meeting.

Disclosable Pecuniary Interests (DPIs)

You will have a Disclosable Pecuniary Interest (*DPI) if it:

- Relates to your employment, sponsorship, contracts as well as wider financial interests and assets including land, property, licenses and corporate tenancies.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to DPIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner.
- Relates to an interest which should be registered in that part of the Register of Interests form relating to DPIs, but you have not yet done so.

If you are present at any meeting of the Council and you have a DPI relating to any business that will be considered at the meeting, you **must**:

- Not seek to improperly influence decision-making on that matter;
- Make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent; and
- Leave the room whilst the matter is under consideration

You **must not**:

- Participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business; or
- Participate in any vote or further vote taken on the matter at the meeting.

If you have obtained a dispensation from the Monitoring Officer or Standards Committee prior to the matter being considered, then you should make a verbal declaration of the existence and nature of the DPI and that you have obtained a dispensation. The dispensation granted will explain the extent to which you are able to participate.

Other Registrable Interests

You will have an 'Other Registrable Interest' (ORI) in a matter if it

- Relates to appointments made by the authority to any outside bodies, membership of: charities, trade unions,, lobbying or campaign groups, voluntary organisations in the borough or governorships at any educational institution within the borough.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to ORIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner; or
- Relates to an interest which should be registered in that part of the Register of Interests form relating to ORIs, but you have not yet done so.

Where a matter arises at any meeting of the Council which affects a body or organisation you have named in that part of the Register of Interests Form relating to ORIs, **you must** make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Disclosure of Other Interests

Where a matter arises at any meeting of the Council which **directly relates** to your financial interest or well-being or a financial interest or well-being of a relative or close associate, you **must** disclose the interest. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Where a matter arises at any meeting of the Council which **affects** your financial interest or well-being, or a financial interest or well-being of a relative or close associate to a greater extent than it affects the financial interest or wellbeing of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest, you **must** declare the interest. You **may** only speak on the matter if members of the public are able to speak. Otherwise you must not take part in any discussion or voting on the matter and must not remain in the room unless you have been granted a dispensation.

In all cases, where the Monitoring Officer has agreed that the interest in question is a **sensitive interest**, you do not have to disclose the nature of the interest itself.

Advice to Members regarding restrictions on voting for Members with council tax arrears

Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992, which applies to all elected members where:

- (a) They are present at a meeting of the Council, Cabinet or any Committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months; and
- (b) Any budget or council tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such members shall at the meeting, and as soon as practicable after its commencement, disclose the fact that section 106 applies to them and they may not vote on any question concerning the matters outlined in paragraph 12(b) above, although they may speak on those matters.

The application of Section 106 is very wide and there have been successful prosecutions under this legislation. It can include meetings held at any time during the year, not just the annual budget meeting, and it may include meetings of committees or sub-committees as well as Council meetings. Members should be aware that the responsibility for ensuring that they act within the law at all times rest solely with the individual Member concerned.

Failure to comply with the requirements under section 106 is a criminal offence unless the member can prove that they did not know (a) that the section applied to them at the time of the meeting or (b) that the matter in question was the subject of consideration at the meeting. Thus unwitting Members who for example can prove that they did not know and had no reason to suppose at the time of the meeting that their bank has failed to honour a standing order will be protected should any prosecution arise.

With regard to applications for benefits, it would not be enough to state that an application has been submitted which has not yet been determined, as the liability to pay remains pending any determination.

The application of Section 106 is very wide and there have been successful prosecutions under this legislation. It can include meetings held at any time during the year, not just the annual budget meeting, and it may include meetings of committees or sub-committees as well as Council meetings. Members should be aware that the responsibility for ensuring that they act within the law at all times rest solely with the individual Member concerned.



Title of Report	Cazenove Ward By-Election Results
For Consideration By	Council
Meeting Date	24 January 2024
Classification	Open
<u>Ward(s) Affected</u>	Cazenove
<u>Group Director</u>	Dawn Carter-McDonald, Interim Chief Executive and Returning Officer

1. **Summary**

- 1.1. In accordance with the Local Government Act 1972, the Chief Executive as Returning Officer for the election of Councillors for the London Borough of Hackney returned the name of the person who was, on 18 January 2024 (results declared on 19 January 2024), duly elected as Councillor in the Cazenove ward,

2. **Recommendations**

- 2.1. **The results of the recent by-election in Cazenove ward are set out in Appendix 1 to this report and should be noted.**

3. **Background**

- 3.1. A by-election was held in the Cazenove ward on 18 January 2024 following a vacancy arising in one seat in that ward.
- 3.2. The results of the by-election are attached at Appendix 1 to this report and can also be found on the Council's website:
<https://hackney.gov.uk/by-election-results/#jan18>

4. **Comments of the Interim Group Director of Finance**

- 4.1. There are no financial implications arising from this report.

5. **Comments of the Acting Director of Legal, Democratic and Electoral Services**

5.1. Other than as set out in the report, there are no legal implications arising.

Appendices

Appendix 1 - Cazenove by-election results 18 January 2024

Background documents

None

Report Author	Bruce Devile Assistant Director, Business Intelligence, Elections & Member Services bruce.devile@hackney.gov.uk
Comments for the Interim Group Director of Finance prepared by	John Holden Head of Finance Sustainability, Public Realm and Special Projects john.holden@hackney.gov.uk
Comments for the Acting Director of Legal, Democratic and Electoral Services prepared by	Louise Humphreys Acting Director of Legal, Democratic & Electoral Services louise.humphreys@hackney.gov.uk

DECLARATION OF RESULT OF POLL

LONDON BOROUGH OF HACKNEY
ELECTION OF A COUNCILLOR FOR **CAZENOVE WARD**
ON THURSDAY 18 JANUARY 2024

I, Dawn Carter-McDonald, being the Returning Officer at the above election, do hereby give notice that the number of votes recorded for each candidate at this election are as follows:

Candidate Name	Description (if any)	Number of votes	Elected
MICNER, Tamara	Green Party	387	
PASCAL, Laura	Labour Party	935	
RAVAL, Dave	Liberal Democrats	73	
SHARER, Ian	Conservative and Unionist Party Candidate	1,623	ELECTED

The number of ballot papers rejected was as follows:-		Number
A	want of an official mark	0
B	voting for more candidates than the voter was entitled to	0
C	writing or mark by which the voter could be identified	0
D	being unmarked or wholly void for uncertainty	11
Total:		11

Electorate: 9,490

Ballot Papers Issued: 3,029

Turnout: 31.92%

Vacant Seats: 1

And I do hereby declare that : SHARER, Ian
councillor for Cazenove ward.

has been duly elected

Dated: 19 January 2024

Dawn Carter-McDonald
Returning Officer

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Title of Report	Council Taxbase and Local Business Rates Income 2024/25
Key Decision No	FCR S241
For Consideration By	Cabinet 22 January 2024 Council 24 January 2024
Cabinet Member	Councillor Robert Chapman, Cabinet Member for Finance, Insourcing & Customer Service
Classification	Open Report and Appendix
Ward(s) Affected	All Wards
Group Director	Jackie Moylan, Interim Group Director of Finance

1. Cabinet Member's Introduction

- 1.1 This report is a key component of setting the Budget and Council Tax for the forthcoming financial year. The money available for service delivery this year depends on the amount of Council Tax that we believe will be collected and we must be careful to estimate this accurately. This report recommends that the Council assume an estimated collection rate for Council Tax for 2024/25 of 93.5%.
- 1.2 Members are also asked to agree the baseline level of Local Business Rate income the Council will be likely to receive for 2024/25.
- 1.3 In December 2023, Cabinet agreed that the Council will rejoin the localised business rates pooling scheme in 2024-25. Work by the scheme's financial advisers, LG Futures, estimates that the 2024-25 scheme will deliver a financial benefit of £1.6m to £2m to the Council.
- 1.4 In order to encourage owners of empty properties to bring them back into use, the Council proposes to take advantage of new powers included in the the Levelling Up and Regeneration Act 2023 to levy a council tax premium equal to a 100% of the Council tax charge in 2024/25 on any liable property which is unoccupied and substantially unfurnished for a continuous period of at least one year. We also propose to signal our intent prior to 1st April 2024 that we will levy a second homes premium from 1st April 2025. Details of both of these proposals are given below

2. Interim Director of Finance Introduction

- 2.1 Section 33 of the Local Government Finance Act 1992 requires that the authority must agree Hackney's Council Tax Base for 2024-25 as calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. This decision must be taken and communicated to preceptors by 31 January 2024. This report recommends a Council Tax Base of 77,766.9 Band D equivalents based on a Council Tax collection rate for 2024/25 of 93.5%.
- 2.2 Section 3 of The Non-Domestic Rating (Rates Retention) Regulations 2013, requires that for 2024/25, we must estimate Non-Domestic Rating income for Hackney (the billing authority) and calculate the major preceptor's share due to the Greater London Authority and the Government share; and any deductions to be made for qualifying relief. The figures contained in this report will become the effective starting point for setting the Council's Budget for 2024/25, subject to the completion of 2024/25 NNDR1 (an official return that is submitted to the Government).
- 2.3 This report asks the Council to approve the estimate of business rates yield for 2024/25 to be used in the budget and tax setting report before Council on 28th February 2024.
- 2.4 Members will be aware of the significant problems we have faced in both council tax and non-domestic rates collection arising from Covid-19, the cyberattack and the cost of living crisis. The lack of ICT systems for a lengthy period and the consequent backlog of work which arose from this, and the inability to carry out even low level recovery work, significantly depressed collection levels in 2021-22 and 2022-23. However, the backlogs have now been cleared and normal account management processes are being restored and as a result performance has improved and is moving back towards pre Covid-19 and cyberattack levels.
- 2.5 It should also be noted that the Welfare Reform Act 2012 abolished Council Tax Benefit in March 2013 and replaced it with the Council Tax Reduction Scheme (CTRS). We are reducing the minimum claimant contribution to 10% for 2024/25 with a phased move to a zero contribution by 2030. This was approved by Cabinet in December and Council will be asked to adopt the new scheme in another report on the Council agenda.
- 2.6 We are proposing to introduce two additional council tax charges for empty property owners and owners of second homes. This is considered in detail below.
- 2.7 This report is late for reasons given in 4.25
- ## **3.0 Recommendation(s)**

Cabinet is recommended to:

- 3.1 Recommend to Council that, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the**

amount calculated by Hackney Council as its Council Tax Base for 2024/25 shall be 77,766.9 Band D equivalent properties adjusted for non-collection. This represents an estimated collection rate of 93.5%.

- 3.2 Recommend to Council that in accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013 Hackney's non-domestic rating income for 2024/25 is £179,559,273 subject to verification by the Academy (our Revenues Software supplier) software release. This comprises three elements.
- £66,209,106 which is payable in agreed instalments to the Greater London Authority
 - £54,298,802 which is retained by Hackney Council and included as part of its resources when calculating the 2024/24 Council Tax requirement.
 - £59,051,365 which is payable in agreed instalments to Central Government
- 3.3 To note that changes to the current CTRS scheme in 2024/25 were agreed by Cabinet in December 2023.
- 3.4 Recommend to Council that it approves a proposal to levy a council tax premium equal to a 100% of the Council tax charge in 2024/25 on any liable property which is unoccupied and substantially unfurnished for a continuous period of at least one year.
- 3.5 Recommend to Council that we signal our intent prior to 1st April 2024 that we will levy second homes premium from 1st April 2025.

Council is recommended to agree:

- 3.6 In accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Hackney Council as its Council Tax Base for 2024/25 shall be 77,766.9 Band D equivalent properties adjusted for non-collection. This represents an estimated collection rate of 93.5%.
- 3.7 In accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013 Hackney's non-domestic rating income for 2024/25 is £179,559,273 subject to verification by the Academy (our Revenues Software supplier) software release. This comprises three elements.
- £66,209,106 which is payable in agreed instalments to the Greater London Authority
 - £54,298,802 which is retained by Hackney Council and included as part of its resources when calculating the 2024/24 Council Tax requirement.
 - £59,051,365 which is payable in agreed instalments to Central

Government

- 3.8 The proposal to levy a council tax premium equal to a 100% of the Council tax charge in 2024/25 on any liable property which is unoccupied and substantially unfurnished for a continuous period of at least one year.**
- 3.9 The proposal that we signal our intent prior to 1st April 2024 that we will levy second homes premium from 1st April 2025.**
- 3.10 To note that changes are proposed to the current CTRS scheme in 2024/25 and that this is covered by another report on this agenda.**

4. Reasons for Decision

Council Tax Base

- 4.1 The rules for calculating the Council Tax Base are set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The calculation is based on the valuation list and other information available on 13th December.
- 4.2 Firstly, the authority must estimate the number of properties in each band after allowing for exempt properties. These figures are also adjusted to allow for discounts (e.g. single person discount and Council Tax Reduction Scheme), exemptions and the impact of applying regulations which allow the Council to charge additional Council Tax to the owners of empty homes and second homes. A formula is then used to calculate the total number of Band D equivalent properties. This gives a higher weighting to properties in Bands above Band D and a lower weighting to properties in bands below Band D. This can therefore be thought of as the average number of properties liable to pay Council Tax. The calculation is set out at Appendix 1.
- 4.3 The Authority then must estimate what percentage of the total Council Tax due for the year it will be able to collect. This is usually referred to as the collection rate. This percentage is then applied to the total number of Band D equivalent properties to give the tax base to be used for setting the Council Tax. Another way of considering the tax base is that it represents the amount of Council Tax income that will be received from setting a Band D Council Tax of £1.
- 4.4 There are a number of factors to be considered when assessing the likely collection rate for 2024/25. Collection rates since 2020/21 have been adversely affected by the Covid-19 pandemic, the cyber attack and latterly by the cost of living crisis. The collection rate for council tax in 2023-24 was set at 92.5% but now the Council Tax and NNDR databases are up to date, the systems are fully operational, and we expect a higher collection rate in 2024-25. However, the collection rate will continue to be depressed by the cost of living crisis. It is very difficult to estimate what the actual rate will be given the impact of this on residents' ability to pay which make it, as ever, more important that we continue to provide

and signpost to support where it is needed in a timely manner to prevent arrears positions escalating for taxpayers. Notwithstanding this we believe a collection 93.5% is achievable and this has what we have assumed in the taxbase calculations

- 4.6 If actual collection in the forthcoming year exceeds the budgeted collection rate this could generate a surplus in the Collection Fund which would provide additional one-off resources available for use in 2025/26 and beyond, either for one-off revenue spending or the Capital Programme. If on the other hand, the collection rate set is over-optimistic, this may result in a deficit on the collection fund at the end of 2024/25, the major part of which would need to be met from Hackney's 2025/26 Budget.
- 4.7 A collection rate of 93.5% will result in a tax base of 77,766.9 Band D equivalents, as shown in the table below.

2024/25 TAX BASE/COLLECTION RATE	
	2024/25
Aggregate of Band D Equivalents Estimate of Collection	83,173.1
Rate	93.5%
Tax Base (Band D Equivalents)	77,766.9

- 4.8 This compares to a tax base of 77,108.9 Band D equivalents used in the 2023/24 budget setting.

Business Rates and the London Business Rates Retention Scheme

- 4.9 In November 2023, Cabinet approved our continued participation in the localised London business rates pooling scheme in 2024-25. We joined the scheme in 2022-23 and continued to participate in 2023-24. The scheme comprises the City of London and 6 other London boroughs. In 2022-23 and 2023-24, we received a significant financial benefit, estimated to be £5.1m over the two years; and work by the scheme's financial advisers, LG Futures, suggests that the 2024-25 scheme will deliver a financial benefit of £1.6m to £2m to the Council.

Empty Property and Second Homes Premiums

- 4.10 Currently the Council charges an extra amount of Council Tax (a 'premium') if a property has been empty for 2 years or more - a premium equal to 100% of the annual council tax charge on the property is added to bills on properties that have been empty between two years and five years, and a premium of 200% is added to bills on properties that have been empty for five years. We have applied this discretionary power in order to encourage owners of empty properties to bring them back into use. An empty property is defined as a dwelling which is unoccupied and substantially unfurnished.

- 4.11 The Levelling Up and Regeneration Act contains a provision to amend the definition of 'long term empty homes' so that, for financial years from 2024-25 onwards, dwellings unoccupied and substantially unfurnished for a continuous period of at least one year are liable to the council tax premium equal to a 100% of the Council tax charge on the property. This compares to the current two year period.
- 4.12 The Council proposes to introduce this new premium in order to further encourage owners of empty dwellings to bring them back into use. If Cabinet approves this proposal we will be able to charge relevant properties the premium in 2024/25.
- 4.13 It should be noted that where a property is unoccupied following the death of the resident, the premises would be exempt from council tax where probate or letters of administration have not yet been granted. If the premises remain unoccupied after the granting of probate or letters of administration a further six months exemption can be applied.
- 4.14 There will also be potentially increased income to the council if empty property owners still do not bring the properties back into use.
- 4.15 The impact of introducing the 100% premium at 1 year rather than 2 years based on current data is that 381 properties will become liable for the premium at 1st April 2024 as opposed to 1st April 2025 and 80 properties would become liable for the premium during the financial year 2024/25 as opposed to 2025/26.

The financial impact of the 381 properties impacted as at 1st April 2024 is shown below based on the 2023/24 Council Tax charges.

Band A 30 properties charge would be £2,364.40 of which Hackney retains £1,785.54 per property (with the balance going to the GLA) so could raise an additional £26,783.10 to Hackney

Band B 102 properties charge would be £2,758.44 of which Hackney retains £2,083.12 per property so could raise £106,239.12 to Hackney

Band C 115 properties charge would be £3,152.52 of which Hackney retains £2,380.72 per property so could raise £136,891.40 to Hackney

Band D 83 properties charge would be £3,546.58 of which Hackney retains £2,678.30 per property so could raise £111,149.45 to Hackney

Band E 42 properties charge would be £4,334.72 of which Hackney retains £3,273.48 per property so could raise £68,743.08 to Hackney

Band F 7 properties charge would be £5,122.84 of which Hackney retains £3,868.66 per property so could raise £13,540.31 to Hackney

Band G 2 properties charge would be £5,910.98 of which Hackney retains £1,785.54 per property so could raise £4,463.84 to Hackney

- 4.16 So Hackney's Council Tax income could potentially increase by £467,810 in 2024-25. There are 86 council owned properties included in the 381 properties and the cost to Hackney for these properties would be additional £123,145 but we would retain £92,996
- 4.17 A further provision of the Levelling Up and Regeneration Act allows, through an amendment to the Local Government Finance Act 1992, councils in England to levy a Council Tax Premium of up to 100% on second homes. We await during 2024/25, further clarification from the Government on the definition of a second home. Notice of the intent to levy the premium must be given one year prior to the commencement of the premium by notification in at least one local newspaper. Therefore if we signal our intent prior to 1st April 2024 we can levy this premium from 1st April 2025.
- 4.18 Until we receive further clarity on the definition we are unable to establish precisely how many properties this premium will apply to. Once we have this clarity we can then advise residents of the change from 1st April 2025 so that they can take appropriate action if they wish to avoid the premium by selling/letting their second home.
- 4.19 It is proposed therefore that Cabinet approves a recommendation to levy a council tax premium equal to a 100% of the Council tax charge in 2024/25 on any liable property which is unoccupied and substantially unfurnished for a continuous period of at least one year.
- 4.20 It is also proposed that we signal our intent prior to 1st April 2024 that we will levy the second homes premium from 1st April 2025.

NNDR Estimates, Reliefs and Special Grants

- 4.21 In past national budgets, the Government has announced various rate reliefs for all businesses, in particular the significant retail, hospitality and leisure (RHL) sector reliefs. Hackney, in common with all Councils, will receive compensation for these reliefs.

It is estimated that Hackney Council will receive **£22.343m** in s31 grants in compensation for the reliefs given in previous and current Autumn Statements and National Budgets, and from the impact of other current and past Government policies. The grants are primarily in respect of reliefs we award for Small Businesses; Retail, Hospitality and Leisure; and Transitional Payments. We also get a S31 grant to compensate us for the fact that the government did not increase the business rates multiplier in line with inflation in 2024-25 (on properties with an rateable value of below £51k) and in prior years. It did though increase the multiplier applied to properties with an rateable value of more than £51k in line with inflation in 2024-25. This is discussed in 4.24 below

- 4.22 In addition to this, the Council retains a cost of collection allowance for the administration of the collection of business rates and for 2023-24 this allowance is **£0.616m**

- 4.23 The total resources available to the Council in respect of Non- Domestic Rates and to be included in the budget to be approved by Council in March will therefore be an estimated **£76.642m**. This can be itemised as follows:

	£m
Net rates yield retained by Hackney	51.135
2023/24 Surplus c/fwd.	2.548
Cost of Collection allowance	0.616
Total NNDR Income for the Year	54.299
2024/25 Retail, Hospitality, Leisure (RHL) Reliefs S31 Grant	7.385
Cost of Multiplier Cap - 2014/15 to 2024-25	11.874
Other S31 Grants	3.084
Total NNDR resources	76.642

- 4.24 It should be noted that the Government is introducing changes to how business rates will be calculated in 2024-25. In order to calculate a property's rates liability before reliefs and discounts, its rateable value is multiplied by a factor called the multiplier, which is adjusted for inflation each year. In 2023-24, the multiplier is 49.9p and it is applied to all properties irrespective of the size of their rateable value. However, as from April 2024, there will be two multipliers. The first remains at 49.9p and this will apply to all properties classed as 'small', i.e. with a rateable value of £51k or below. An inflation uplift therefore, will not be applied to the multiplier for these properties and so the ratepayers will not face any increase in their bills (assuming that there is no change to their discounts or reliefs) and the Council will receive S31 grant to compensate for our loss of income. However, an inflation uplift will be applied to the multiplier of properties with a rateable value of more than £51k (taking the multiplier up to 54.4p) which means that these businesses will be faced with an increase in their rates bills in 2024-25
- 4.25 This is a very complex change and it has taken us a considerable amount of time to produce the necessary business rates information for this report. This explains why this is a late report. It should also be noted that at the time of writing this report, we had not received a Business Rates software update from our supplier which covers these changes. Once we receive this, we will recalculate the estimates and if this produces materially different results from our internal analysis, we will inform Council and Cabinet of any changes at the meetings.

Council Tax Reduction Scheme (CTRS).

- 4.26 In December 2023, Cabinet approved changes to the current CTRS scheme, primarily the reduction in the minimum contribution from 15% to 10%. A report asking Council to adopt the scheme is also on the January agenda.

5.0 Details Of Alternative Options Considered and Rejected

5.1 The requirement to calculate the Council Tax base and business rates has been laid down by Statute. As such, there are no alternatives to be considered.

6.0 Background

6.1 Policy Context

This report sets out the Council Taxbase and estimated NNDR income in 2024/25. Both of these are required by statute. Hackney's tax base for 2024/25 must be notified to the GLA and to the various levying bodies which base their levies on the Council Tax Base. Under regulations this must take place before 31 January 2024. The appropriate bodies will be notified by the due date once the tax base is confirmed

6.2 Equality Impact Assessment

The Council Taxbase is not a service but one element of a statutory obligation for residents to pay council tax. The calculation of this element is determined by statute and regulations.

The implementation of the 100% Empty property council tax premium proposal is a change in the date the premium becomes payable, from 24 months to 12 months and does not change the level of the premium. There would be no adverse impact on any particular groups. Any residents who are sole residents and who move permanently into a hospital or care home leaving their property unoccupied, will be exempt from Council Tax under a Class E exemption.

The implementation of the second home premium of a 100% council tax from 1st April 2025 will have no adverse impact on any particular groups. In terms of sole residents who move permanently to a hospital or care home leaving their property unoccupied, they will again be exempt from Council Tax under a Class E exemption.

6.3 Sustainability

As above

6.4 Consultations

Relevant consultations have been carried out involving the Mayor, the Cabinet Member for Finance, Insourcing and Customer Service, and Directors of Finance. We will also liaise with other council revenue teams re our ambition and Manifesto Commitments around getting empty properties into use.

6.5 Risk Assessment

The risks associated with the Council's financial position are detailed in this report.

7.0 Comments of the Interim Director of Finance

- 7.1 The setting of a realistic and prudent collection rate for Council Tax in 2024/25 is an essential component of the overall budget strategy. If the collection rate set is over-optimistic, this may result in a deficit on the collection fund at the end of 2024/25, the major part of which would need to be met from Hackney's 2025/26 Budget. This would impact adversely on the overall budget strategy.
- 7.2 The proposed tax base of £77,766.9 Band D equivalents would result in Council Tax income of £104.141m for Hackney's element, assuming no increase in the Council Tax rate in 2024/25. The overall resources for the 2024/25 budget will be dependent on the outcome of the Final Local Government Finance Settlement due to be announced in early February 2024, although we do now have the provisional Settlement figures.
- 7.3 Similarly, the setting of an accurate baseline Local Business Rates is essential to enable the Council to be able to plan effectively. Once agreed, the amount of Business Rates attributable to the GLA and the Government will need to be paid over at certain dates irrespective of whether or not the income has been received by the Council from local businesses. Thus, an overly optimistic or simply erroneous baseline could have significant cash flow implications as well as adverse impact on the future year's budgets. Forecasting the estimated business rates yield is extremely difficult for 2024/25 given the ongoing impact of the cost of living crisis.
- 7.4 Hackney's Council Tax payable could potentially increase by £467,810 in 2024-25 as a result of introducing the 100% premium on homes empty after a year as discussed in 4.14 and 4.15 above.

8. Comments of the Acting Director of Legal, Democratic and Electoral Services

- 8.1 Cabinet is being asked to recommend to Council, and Council is being asked to agree, the calculation of the Council Tax Base as required by s.33 Local Government Finance Act (LGFA) 1992. S.33 imposes a duty on the Council, as a billing authority, to calculate the basic amount of its council tax by reference to a formula set out in the Act and Regulations made under the Act.
- 8.2 S.67 LGFA originally provided that adopting the council tax base had to be a decision of full Council. This section was amended by s.84 Local Government Act 2003 which abolished that requirement. However, the calculation is not an "executive" function and it cannot be discharged by the Mayor and Cabinet. It could be delegated to an officer, but Hackney has not delegated the decision to an officer so the responsibility rests with full Council.
- 8.3 As the report makes clear, the decision must be taken by 31 January in each year and therefore this report will be considered by Council on 24 January 2023
- 8.4 An important part of the calculation of the council tax base is the collection rate

which is assumed in the calculation. It is important that Members adopt a prudent approach to agreeing this assumption since, as the report makes clear, an unrealistic assumption is likely to lead to a deficit on the account which will have to be met from elsewhere thus undermining the integrity of the Council's budget. Members will therefore wish to satisfy themselves that the proposed collection rate of 93.5% is realistic.

- 8.5 There is a requirement to publish notice of the amount set for Council Tax in at least one local paper within 21 days of the Council's decision under section 38(2) of the Local Government and Finance Act 1992.
- 8.6 Cabinet is reminded that the calculation of the Council Tax Base is covered by s.106 of the Local Government Finance Act 1992. This provides that if a Member owes two or more months' arrears of Council Tax, they are obliged to disclose this fact to the meeting as soon as practicable after the meeting commences and not vote on the matter, although they may speak. Failure to comply is a criminal offence punishable by a fine unless the member can prove that they did not know (a) that the section applied to them at the time of the meeting or (b) that the matter in question was the subject of consideration at the meeting.
- 8.7 The Levelling up and Regeneration Act received Royal Assent and became law on 26th of October 2023. The Act includes provisions, which also came into force on 26th October 2023, to allow for a Second Home Premium (additional charge) on 'second homes' (the legislation uses the phrase dwellings occupied periodically) of up to 100% providing the Council makes a determination to levy the premium at least one year before the beginning of the financial year to which it relates. The legislation also enables the Secretary of State to make regulations prescribing one or more classes of dwelling in relation to which the billing authority may not make a determination to levy this premium. The Act also includes provisions for a premium to be charged on homes that remain empty after one year rather than the current two-year period.
- 8.8 Cabinet is also reminded of the requirements of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014. The Regulations, which are reflected in the Council's Constitution, provide that where any vote is taken at a Council meeting on setting the budget, which includes the setting of Council Tax, for the authority, the Minutes of the meeting will record the names of all Councillors present at the vote and how each Councillor voted (for or against) or the fact that they abstained from voting.

Appendices

Appendix 1 – Council Tax Base Calculation Schedule

Background Papers

None

Report Author	Deirdre Worrell Director, Financial Management deirdre.worrell@hackney.gov.uk
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TAXBASE CALCULATION SCHEDULE 2024-25

APPENDIX 1

Line	Band	@	A	B	C	D	E	F	G	H	Total
Actual current properties											
1	Dwellings on database 13/12/2023	0	8,223	31,726	35,740	24,892	13,076	4,782	1,252	51	119,742.0
2	Exemptions (minus)	0	1,992	1,214	703	504	281	138	17	3	4,852.0
Disabled Reductions of Band:											
3	Add to Lower Bands	5	38	61	64	67	29	1	0	0	265.0
4	Take from Higher Bands (minus)	0	5	38	61	64	67	29	1	0	265.0
5	Line 1-2+3-4 = H	5	6,264	30,535	35,040	24,391	12,757	4,616	1,234	48	114,890.0
<u>Single Person Discounts</u>											
Number in H above Entitled to											
	One 25% Discount SPD	-4	-3,661	-15,906	-12,636	-6,229	-2,237	-643	-172	-1	-41,489.0
	One 25% Discount with disregards	0	-26	-279	-359	-250	-116	-30	-5	0	-1,065.0
	Total	-4	-3,687	-16,185	-12,995	-6,479	-2,353	-673	-177	-1	-42,554.0
7	Line 6 x 25%	-1	-922	-4,046	-3,249	-1,620	-588	-168	-44	0	-10,638.5
8	<u>Number in H above Entitled to</u>										
	Two 25% (50%) Discount	0	0	-9	-11	-5	-10	-7	-4	-7	-53.0
9	Line 8 X 50%	0.00	0.00	-4.50	-5.50	-2.50	-5.00	-3.50	-2.00	-3.50	-26.5
	<u>No in H above entitled to</u>										
	25% discount Uninhabitable / major works	0	0	-4	-7	-6	-3	-1	-6	0	-27.0
10	25% of above	0.00	0.00	-1.00	-1.75	-1.50	-0.75	-0.25	-1.50	0.00	-6.8
	<u>No in H above entitled to 1 month reduction</u>		-51	-141	-162	-112	-44	-20	-6	-4	-540.0
10a	8.3% of above		-4.23	-11.70	-13.45	-9.30	-3.65	-1.66	-0.50	-0.33	-44.8
	<u>No in H above charged (2 years) Plus new CTax Premium (1 year) - after one year 100%</u>		31	116	116	92	65	86	21	1	528.0
10b	100% of above		31.00	116.00	116.00	92.00	65.00	86.00	21.00	1.00	528.0
	<u>No in H above charged Empty Homes Premium 200%</u>		11	26	30	28	12	5	3	1	116.0
10c	200% of above		22.00	52.00	60.00	56.00	24.00	10.00	6.00	2.00	232.0
	<u>No in H above entitled to 0% Discount</u>	0	90	248	310	224	83	28	5	0	988.0
11	0% of above	0	0	0	0	0	0	0	0	0	0.0
12	Total Discounts = Q	-1	-873	-3,895	-3,093	-1,485	-509	-78	-21	-1	-9,956.6
13	Line 5+ Line 12 Properties after Discounts)	4	5,391	26,640	31,947	22,906	12,248	4,538	1,213	47	104,933.4
<u>Estimated changes likely</u>											
14	Properties Awaiting Banding	0	0	0	493	0	0	0	0	0	493.0
15	New Properties	0	0	0	285	0	0	0	0	0	285.0
16	Line 14 + Line 15	0	0	0	778	0	0	0	0	0	778.0
17	<u>Properties to be Deleted</u>		0	0	-228	0	0	0	0	0	-228.0
18	<u>Known Errors in Valuation List</u>		0	0	0	0	0	0	0	0	0.0
19	Line 17 + Line 18	0	0	0	-228	0	0	0	0	0	-228.0
20	Line 16 + Line 19 (Net Estimated Changes)	0	0	0	550	0	0	0	0	0	550.0

TAXBASE CALCULATION SCHEDULE 2024-25											APPENDIX 1
Line	Band	@	A	B	C	D	E	F	G	H	Total
21	Assumed Exemptions		0	0	0	0	0	0	0	0	0.0
22	Assumed Discounts on										
	Ratio of Line 12 to 5		0	0	0	0	0	0	0	0	0.0
	Changes to Status of Existing Properties:										
23	Change in Discounts		0	0	0	0	0	0	0	0	0.0
24	Change in Exemptions		0	0	0	0	0	0	0	0	0.0
	Expected appeals against bands:										
25	Add to Lower Bands		0	0	0	0	0	0	0	0	0.0
26	Take from Higher Bands		0	0	0	0	0	0	0	0	0.0
27	Line 20+21+22+23+24+25+26 = J	0	0	0	550	0	0	0	0	0	550.0
	CTRS Discount										
	Ttl Band reduction based on total monetary award	-1	-1,333	-6,902	-5,295	-2,857	-1,557	-530	-51	0	-18526.5
	Expected in year changes	0	0	0	0	0	0	0	0	0	0.0
28	Total CTS Band Equivalent	-1	-1,333	-6,902	-5,295	-2,857	-1,557	-530	-51	0	-18526.5
29	H - Q + J - Z	3	4,058	19,737	27,202	20,049	10,692	4,008	1,161	47	86956.9
30	To calculate band equivalents	0.556	0.667	0.778	0.889	1.000	1.222	1.444	1.667	2.000	
31	Band D Equivalent:Lines 29x30	1	2,705	15,351	24,179	20,049	13,068	5,790	1,936	94	83173.1
32	Contributions in lieu of Class O	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
34	Band D equivalent for Taxbase calculation										83173.1
											<i>Before allowance for collection rate</i>
36	Band D equivalent for Taxbase calculation after non-collection allowance 6.5% applied (93.5% Collection)										77766.9

[1]

[1] Administrator:
Adjust once 19/20 figure known

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