

Agenda Item No:	5	
Committee:	Conduct Committee	
Date:	23 February 2017	
Report Title:	Dispensations for Council Tax Matters	

1 Purpose / Summary

To update Members as to the legal position regarding the granting of dispensations for the setting of Council Tax and approval of schemes for Local Council Tax Support and the related exemptions.

2 Key issues

- At the Conduct Committee on Tuesday 7th February 2016, a paper was tabled regarding the granting of Dispensations in relation to any payment of, or liability to pay, council tax or for the setting of Council Tax and approval of schemes for Local Council Tax Support and the related exemptions.
- Prior to the meeting, a letter from the Department of Communities and Local Government (DCLG) was presented which stated that in their opinion dispensations were not required for these items. To enable officers the time to look in to the matter, the item was deferred.
- In summary, although some Councils do still award Dispensations for these matters, it has been concluded that following updated guidance from DCLG, no dispensations for the setting of Council Tax and Local Council Tax Support are required in relation to any payment of, or liability to pay, council tax as they do not constitute a Disclosable Pecuniary Interest (DPI).
- Therefore, in relation to Council Tax, all Members are able to take part and vote in the Council Tax resolution agenda item at Full Council and do not need to declare any interest.
- In relation to Local Council Tax Support, if a Member is in receipt of Local Council Tax Support or a related Exemption, this still constitutes a Non-Disclosable Pecuniary Interest and a declaration of interest in such an agenda item must be declared. Any Member this affects may remain in the room, take part in the debate and vote on the item as long as a declaration is made.

3 Recommendations

- For Conduct Committee to note the updated legal position regarding dispensations for Council Tax and Local Council Tax Support Scheme.
- For the Monitoring Officer to provide a briefing note to all Members to notify them of the updated position and the status of the dispensations signed in May 2015.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	
Report Originator(s)	Carol Pilson, Monitoring Officer 01354 622360 cpilson@fenland.gov.uk
Contact Officer(s)	Carol Pilson, Monitoring Officer 01354 622360 cpilson@fenland.gov.uk
Background Paper(s)	DCLG Openness and Transparency on personal interests: A guide for councillors Localism Act 2011

1. Disclosable Pecuniary Interests (DPIs), Dispensations and Council Tax Matters

- 1.1** The definition of a DPI is set out within the Localism Act 2011, Sections 29-34 and must fall under a certain number of categories outlined at Appendix B.
- 1.2** The updated guidance from DCLG at Appendix A states that any payment of, or liability to pay, council tax e does not fall in to any of the relevant categories in relation to DPI's.
- 1.3** Under section 33 of the Localism Act 2011 the Council can grant dispensations to Members in respect of DPI's, this function has been delegated to the Conduct Committee.
- 1.4** The obligation to pay Council Tax is not a DPI. As such, no dispensation is required and Councillors can take part in a debate relating to the setting of council tax.
- 1.5** The receipt of some form of Council Tax Support or benefit is not a DPI within the definition of the same in the regulations. Therefore no dispensation is available as dispensations under s33 are only in respect of DPI's.
- 1.6** The receipt of council tax support or benefit is a pecuniary interest as set out in the Members Code of Conduct and would be relevant if those matters were being discussed at a council meeting, therefore an interest would need to be disclosed at the meeting. However pursuant to the Code of Conduct the member would still be able to take part in and vote on the matter if they so wished.

Appendix A – Extract from DCLG guidance:

Do I need a dispensation to take part in the business of setting council tax or a precept?

Any payment of, or liability to pay, council tax does not create a disclosable pecuniary interest as defined in the national rules; hence being a council tax payer does not mean that you need a dispensation to take part in the business of setting the council tax or precept or local arrangements for council tax support.

If you are a homeowner or tenant in the area of your council you will have registered, in accordance with the national rules, that beneficial interest in land. However, this disclosable pecuniary interest is not a disclosable pecuniary interest in the matter of setting the council tax or precept since decisions on the council tax or precept do not materially affect your interest in the land. For example, it does not materially affect the value of your home, your prospects of selling that home, or how you might use or enjoy that land.

Accordingly, you will not need a dispensation to take part in the business of setting the council tax or precept or local arrangements for council tax support, which is in any event a decision affecting the generality of the public in the area of your council, rather than you as an individual.

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SCHEDULE

Regulation 2

<i>Subject</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992⁽¹⁾.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest</p>

⁽¹⁾ 1992 c. 52.

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exceeds one hundredth of the total issued share capital of that class.