

CABINET**5 December 2012****Minute Extract****420. LOCALISATION OF COUNCIL TAX SUPPORT AND COUNCIL TAX CHANGES**

(Report CAB2415 refers)

Councillors Godfrey and Stallard declared disclosable pecuniary interests in respect of this item due to their roles as a County Council employee and a County Councillor respectively. However, as there was no material conflict of interest, they remained in the room, spoke and voted under the dispensation granted on behalf of the Standards Committee.

Councillor Godfrey outlined the key changes proposed as detailed in the Report. He emphasised that through the various measures proposed, the Council were seeking to protect the level of support available to those on low incomes and also to seek to encourage owners of empty properties to bring them back into use. However, it was difficult at the outset to accurately predict the effect of the changes and he therefore requested that an additional recommendation be agreed that required the Council to review the outturn and any further amendments required after one year in operation. This was agreed.

At the invitation of the Chairman, Councillors Learney and Pines addressed Cabinet and their comments are summarised below.

Councillor Learney generally welcomed the proposals. However, she suggested two further changes:

- A suggestion that the period for the 100% discount for 'uninhabitable' properties referred to in Recommendation 1(b) below be shortened to 6 or 9 months;
- A suggestion that a premium rate on properties empty for more than two years be introduced to further encourage more empty properties into use.

Councillor Godfrey stated that the possibility of introducing a premium rate as suggested had not been pursued at this time, but could be examined again as part of the proposed review.

The Head of Revenues clarified that the requirement for a period of up to 12 months discount for 'uninhabitable' properties was set out in the legislation and the period could not therefore be shortened.

Councillor Pines reported that The Overview and Scrutiny Committee had commented on the proposals. He suggested that the proposed review in a year's time be carried out by a cross-party Working Group. He expressed

concerns about the wider implications of the Government's welfare reforms on those on lower incomes and the expected knock-on increase to the housing waiting list.

Councillor Wood noted the suggestion regarding a cross-party Working Group and agreed to give it further consideration.

During debate, several Councillors mentioned properties within their Wards which had remained empty for a long time. Councillor Coates requested that he be made aware of specific examples in order that the Private Sector Housing Team could investigate further. However, he emphasised the legal and practical difficulties involved in trying to persuade owners to bring such properties back into use.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT THE CHANGES TO COUNCIL TAX DISCOUNTS AND EXEMPTIONS IN RESPECT OF EMPTY PROPERTIES / SECOND HOMES BE ADOPTED AS FOLLOWS:

A) ABOLISH THE 10% DISCOUNT AWARDED IN RESPECT OF SECOND HOMES (FURNISHED PROPERTIES THAT ARE NO ONES MAIN HOME);

B) INTRODUCE A DISCOUNT OF 100% FOR A PERIOD OF UP TO TWELVE MONTHS FOLLOWING THE ABOLITION OF EXEMPTION CLASS A FOR 'UNINHABITABLE' PROPERTIES (PROPERTIES WHERE NO ONE LIVES, ARE SUBSTANTIALLY UNFURNISHED AND REQUIRE MAJOR REPAIR WORK OR ARE UNDERGOING MAJOR REPAIR WORK OR STRUCTURAL ALTERATION TO RENDER IT HABITABLE) WHICH ARE CURRENTLY AWARDED FOR UP TO TWELVE MONTHS;

C) INTRODUCE A DISCOUNT OF 100% FOR A PERIOD OF UP TO ONE MONTH FOLLOWING THE ABOLITION OF EXEMPTION CLASS C WHICH RELATES TO VACANT PROPERTIES (PROPERTIES WHERE NO ONE LIVES WHICH ARE SUBSTANTIALLY UNFURNISHED) WHICH CAN BE AWARDED FOR UP TO SIX MONTHS;

D) ABOLISH THE 50% DISCOUNT FOR PROPERTIES THAT REMAIN VACANT (PROPERTIES WHERE NO ONE LIVES WHICH ARE SUBSTANTIALLY UNFURNISHED).

2. THAT THE LOCAL COUNCIL TAX SUPPORT SCHEME PROPOSED IN THE REPORT BE ADOPTED AS FOLLOWS:-

- A) BASE THE NEW LOCAL COUNCIL TAX SUPPORT SCHEME ON THE EXISTING CTB SCHEME CALCULATION;**
- B) INCREASE INCOME DISREGARDS FOR WORKING AGE CLAIMANTS SO THAT SINGLE CLAIMANTS HAVE THE FIRST £10 OF EARNED INCOME DISREGARDED AND OTHERS HAVE THE FIRST £25 OF EARNED INCOME DISREGARDED;**
- C) CONTINUE TO DISREGARD 100% OF CERTAIN PAYMENTS (FOR WORKING AGE AND PENSIONER AGE CUSTOMERS) MADE UNDER THE WAR PENSION AND ARMED FORCES COMPENSATION SCHEME.**

3. THAT THE EFFECT OF THE CHANGES OUTLINED ABOVE BE REVIEWED IN ONE YEAR'S TIME WITH A VIEW TO CONSIDERING WHETHER ANY FURTHER ALTERATIONS ARE REQUIRED.

4. THAT COUNCIL CONSIDER REPORT CL81 WHICH WILL CONTAIN THE DETAILED LOCAL COUNCIL TAX SUPPORT SCHEME FOR APPROVAL.

RESOLVED:

That an update report be presented direct to Council to present:

- a) the detailed local Council Tax Support Scheme for approval based on the options recommended in this report;
- b) any changes that may be necessary when the final regulations have been published.