

COUNCIL

9 January 2012

LOCALISATION OF COUNCIL TAX SUPPORT AND COUNCIL TAX CHANGES -
UPDATE

REPORT OF HEAD OF REVENUES

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RECENT REFERENCES:

OS50: Consultation – Council Tax Support and Council Tax Changes, 17 September 2012

CAB 2415: Localisation of Council Tax Support and Council Tax Changes – 5 December 2012

EXECUTIVE SUMMARY:

At its meeting on 5 December 2012, Cabinet considered a report concerning the replacement of Council Tax Benefit (CTB) with a local Council Tax Reduction Scheme and changes to the Council Tax liabilities of second home owners and owners of empty properties. Both matters will be introduced for 2013/14.

Cabinet instructed officers to present an update report to Council to present the detailed local Council Tax Reduction Scheme for approval based on the options recommended in the Cabinet report (CAB 2415) and any changes that may be required following publication of the regulations. The regulations have been published and no changes are required.

The detailed Council Tax Reduction Scheme is attached at Appendix A. It is recommended that the Head of Revenues be authorised to make minor editing amendments to the local Council Tax Reduction Scheme should this be necessary.

RECOMMENDATIONS:

- 1 That 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 Reduction Scheme proposed in the report be adopted as follows:
 - a) base the new local Council Tax Reduction 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 the local Council Tax Reduction Scheme as set out in Appendix A be approved.
- 5 That the Head of Revenues be authorised to make minor editing amendments to the local Council Tax Reduction Scheme if necessary.

OTHER CONSIDERATIONS:

As detailed in Cabinet Report CAB 2415

APPENDICES:

Appendix A – Council Tax Reduction Scheme