

SOUTHWARK COUNCIL

COUNCIL ASSEMBLY

(ORDINARY MEETING)

WEDNESDAY 17 OCTOBER 2012

URGENT QUESTION

1. URGENT QUESTION TO THE LEADER OF THE COUNCIL FROM COUNCILLOR ANOOD AL-SAMERAI

How much money could be saved for the council by getting rid of council tax exemptions for second homes, repossessed homes and empty homes? How much income could the council generate by charging extra council tax (150%) on long term empty homes?

RESPONSE

The cabinet will agree next Tuesday to recommend to council assembly that we get rid of the council tax exemption for second homes. This will generate an additional £94k of income, equivalent to roughly 3% of the money that the Tory/Liberal Democrat government has cut from council tax benefit in Southwark. This information is available at paragraph 14 of the cabinet report.

The power to remove the exemption for repossessed homes was contained in an earlier consultation of proposals on the government's Local Government Finance Bill. It was subsequently removed and as such the council does not have the power to change this exemption. This is, of course, subject to the final legislation.

The cabinet will task officers at our next meeting to fully investigate opportunities for removing the exemption for empty homes and charging a premium on long-term empty homes. This proposal requires further work as a proportion of empty and long-term empty homes are council properties. This would mean we would be charging ourselves. Any removal of the exemption on these homes would, therefore, simply move the burden of the government's council tax benefit cut onto council tenants in rent. Officers also estimate that (assuming that all long-term empty homes not in the housing revenue account (HRA) are band D properties), charging a premium on long-term empty homes will raise roughly £60,000, or 2% of the total government cut to the benefit.

Once the full work has been completed the cabinet will make proposals on removing exemptions on certain empty homes and any charge of a premium on long-term empty properties. However, it is clear that this will not be sufficient to make up the full amount cut by the government. If the leader of the opposition was really concerned about this matter, she had the opportunity to call on all of Southwark's MPs, including Simon Hughes, to vote against it in parliament. She chose not to.