

<b>Item No.</b> 6.2	<b>Classification:</b> Open	<b>Date:</b> 28 November 2012	<b>Meeting Name:</b> Council Assembly
<b>Report title:</b>		Council Tax Technical Reforms – Addendum Report	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Cabinet	

## RECOMMENDATIONS

That council assembly considers this addendum report in conjunction with the main report and:

1. Agree the recommendation of the Cabinet on 23 October 2012 to remove the existing ten percent discount awarded for second home properties with effect from the 1 April 2013 (see paragraphs 6 and 7 of the main report).
2. Agree the recommendations of Cabinet agreement on 20 November 2012 to introduce local discounts and an empty house premium, as set out below:
  - (1) The introduction of a local discount to replace class A exemptions set at zero percent from 1 April 2013 for properties where there are major repairs or structural alterations.
  - (2) The introduction of a local discount to replace class C exemptions set at 100 percent for up to a maximum of 2 months from 1 April 2013 for empty and unfurnished properties, subject to a review within March 2014.
  - (3) The introduction of a local discount of zero percent from 1 April 2013 for empty (unoccupied) and furnished properties.
  - (4) The introduction of an empty homes premium resulting in council tax of 150 percent for properties that have been empty and unfurnished for more than two years from 1 April 2013.

## BACKGROUND INFORMATION

3. On 23 October 2012, cabinet agreed to recommend to council assembly the removal of second homes discount from 1 April 2013 and agreed to the need for officers to submit a further report to cabinet in November 2012 to set out further recommendations on the approach to changes in respect of council tax discounts and exemptions. The further report (see Appendix 1 on the main agenda) was considered at cabinet on 20 November 2012 and the full decision from that meeting is set out as a recommendation to council assembly in paragraph 2 above.

## KEY ISSUES FOR CONSIDERATION

4. On 20 November 2012 cabinet considered a further report which outlined the approach to technical changes to council tax discount and exemptions. Cabinet agreed to recommend to council assembly the creation and

introduction of local discounts together with the introduction of an empty homes premium from 1 April 2013.

5. Cabinet was also informed within the report of 20 November that an Equalities Impact Assessment for the proposed changes to second homes and council tax exemptions was being developed by council officers. This assessment reviews those likely to be affected by any change within the borough and determine any mitigating action that may be recommended as part of any change. Appendix 2 of the main report is circulated as a late item because the Equalities Impact Assessment needed to be updated after the meeting of cabinet on 20 November 2012, in order to accurately reflect the outcome of that meeting and assess the impact of its decision.
6. Monitoring information relating to protected characteristics, is not collected from residents claiming exemptions and discounts, therefore it is not possible to quantify the actual/potential positive or negative impact upon specific groups. The proposals will apply to all private and social landlords (including the council), developers and individual owners of second homes and empty properties. In some cases therefore the proposals may be viewed as increasing a business charge but for individual owners may increase financial burdens. Where available data and evidence exists it has been included within the equalities assessment.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

7. Following the cabinet meeting on 20 November 2012, council assembly is advised that it is now enabled to agree all the recommendations contained within the main report to this addendum, under Part 3A of the council's constitution.
8. Council assembly is advised that the legislative basis for the recommendations is found in the Local Government Finance Act 1992 (as amended by ss.10-12 Local Government Finance Act 2012) which give local authorities the statutory power to apply amended discounts. The Local Government Finance Act 2012 received Royal Assent on 31 October 2012 and is now law.
9. In respect of all the recommendations, decision makers must provide evidence of consideration of the equality assessment outcomes. Council assembly is required to note the completed equality assessment at Appendix 2 and is reminded of the requirement to have due regard to the public sector equality duty set out in s.149 Equality Act 2010 in its deliberations and conclusion.
10. Council assembly is further reminded of the council's statutory obligations and approved policies in respect of mitigating the effects of child poverty, providing equality of opportunities for children and young people, and providing advice and assistance to those who are or are at risk of homelessness.

### **Strategic Director of Finance and Corporate Services**

11. This addendum report requests that assembly agree the recommendations of cabinet of 20 November for the creation and introduction of local discounts together with the introduction of an empty homes premium from 1 April 2013.

12. This report also requests that assembly note the outcome of the Equalities Impact Assessment and associated mitigating actions to the changes proposed.

### **REASONS FOR URGENCY**

13. The value of council tax discounts and exemptions are taken into consideration when the council tax base is calculated. The council tax base report is scheduled to be considered by council assembly in January 2013.
14. As there is a requirement for decisions to create local discounts to be made by council assembly there is a need for these changes to be confirmed ahead of the January 2013 council assembly meeting so there is sufficient time for these decisions to be incorporated into the council tax base report.

### **REASONS FOR LATENESS**

15. The deadline for reports for council assembly was 15 November 2012, which was before cabinet had met on 20 November 2012 to consider the technical reform report on exemptions and discounts. Consequently it was not possible to confirm the decision of the 20 November 2012 cabinet until after this date.
16. Further the Equalities Impact Assessment could not be completed or submitted until the decision on the recommendations within the report of 20 November 2012 cabinet was reported, in order to accurately reflect the outcome of that meeting and legitimately assess the impact of its decision.
17. As a consequence of the above this report is being submitted as an addendum to council assembly.

### **BACKGROUND DOCUMENTS**

<b>No.</b>	<b>Title</b>
None	

### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 2. (To main report)	Council Tax Technical Reforms – Equalities Analysis – November 2012

**AUDIT TRAIL**

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
<b>Report Author</b>	Mike Lynch, Improvement & Development Manager	
<b>Version</b>	Final	
<b>Dated</b>	21 November 2012	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	22 November 2012	