

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	11th July 2012	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2454
TITLE:	Council Tax Discounts - consultation on proposed changes	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Council Tax Technical Changes		

1 THE ISSUE

- 1.1 This report describes options for adopting new discretionary powers for setting discounts and exemptions to Council Tax against a range of changes proposed by Government for local decision and which come in to effect from April 2013.
- 1.2 This report is to enable an in principle decision by Cabinet to enable further detailed research and adoption of the policies as part of setting the Council Tax base by Council in November 2012.

2 RECOMMENDATION

The Cabinet agrees in principle that:

- 2.1 That the Council adopt the full range of technical changes to Council Tax as set out in **Appendix 1**
- 2.2 The Financial Implications be factored into the proposed Budget for 2013/2014 to be considered by the Council in February 2013.
- 2.3 The Council Tax base setting report to be considered by Council in November is based on these proposed changes.

3 FINANCIAL IMPLICATIONS

- 3.1 It is recognised that in order to meet difficult financial challenges, the Council may need to realise maximum income generation from the new Council Tax technical changes.
- 3.2 The full implementation of the available technical changes is expected to generate in the region of £1million although this may diminish over time as the changes encourage changes in behaviour, such as bringing homes back into use more quickly.
- 3.3 There will be some minor changes to administrative costs but these are not expected to be significant and will be considered as part of the budget setting process for 2013/14.

4 CORPORATE OBJECTIVES

- 4.1 If the changes set out here are implemented there is likely to be a positive impact on the priority for:-

- *Building a stronger economy*

- 4.2 See the equalities section of this report for more detail.

5 THE REPORT

5.1 Timetable of Changes

- 5.2 These changes are being enacted by the Local Government Finance Bill which is expected to receive final assent shortly after the end of July 2012; the current proposition is based upon the details contained in the Bill and a recent statement of intent issued by Communities & Local Government.

- 5.3 The timetable for adopting these changes is linked with the Council's current budget setting process.

- 5.4 Changes will need to be calculated and applied to the tax base setting process which is scheduled to be considered by Council on the 8th November 2012 and subsequently reflected in the budget setting report in February 2013.

5.5 Methodology

- 5.6 The Council Tax technical changes give new legislative powers that will enable authorities to raise additional charges by amending entitlement to discounts and exemptions for things like second homes and empty properties; these are detailed at **Appendix 1**.

6 RISK MANAGEMENT

- 6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

- 7.1 An equalities impact assessment will be completed as part of the preparation of the full Council report for November.
- 7.2 The changes proposed are not expected to impact on vulnerable groups or people with protected characteristics. The proposals flow from Government policy options that have been developed at a national level to enable local decisions.
- 7.3 The appendix describes the effects of the changes and, in general but not necessarily in all cases, these will impact most on people with higher levels of income which enables them to have second homes or keep homes empty.
- 7.4 The changes are considered likely to create some positive incentives to bring properties back into use and also to discourage second homes which potentially reduce the supply available for people working and living locally.

8 RATIONALE

- 8.1 By taking full advantage of the Council Tax technical changes the Council will support the need to bring empty houses back in to occupation as quickly as possible and ensure funding is secure to benefit the wider community.

9 OTHER OPTIONS CONSIDERED

- 9.1 All options as proposed by the Council Tax Technical changes are supported as they enable delivery of benefits to the wider community, no other alternatives have been considered.

CONSULTATION

- 9.2 *Consultation has already been conducted with: Cabinet members; Staff; Other B&NES Services; Section 151 Finance Officer; Chief Executive; Monitoring Officer*
- 9.3 There is no statutory requirement to consult on these changes although it is proposed that advance notification is provided to key stakeholders and the final decision will be subject to the Council decision in November.

10 ISSUES TO CONSIDER IN REACHING THE DECISION

- 10.1 *Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate; Health & Safety; Impact on Staff; Other Legal Considerations*

11 ADVICE SOUGHT

The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	<i>Ian Savigar, Divisional Director for Customer Services, Tel; 01225 477327</i>
Sponsoring Cabinet Member	<i>Councillor David Bellotti</i>
Background papers	<p><u>http://www.communities.gov.uk/documents/localgovernment/pdf/2152512.pdf</u> (Technical Reform of Council Tax, Consultation response)</p> <p><u>http://www.communities.gov.uk/documents/localgovernment/pdf/2053909.pdf</u> (DCLG Impact Assessment)</p>
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