

Bath & North East Somerset Council	
MEETING:	Council
MEETING DATE:	8 th November 2012
TITLE:	Council Tax Technical Changes for Discounts and Exemptions
AN OPEN PUBLIC ITEM	
List of attachments to this report:	
Appendix 1 – Council Tax Technical Changes – Estimated impacts	

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 the Local Government Finance Bill/Act 2012, due to come into effect from April 2013.

2 RECOMMENDATION

- That the Council agrees

2.1 To delegate *authority* to the Section 151 Officer to make such technical changes and minor adjustment to these proposals, as may be required as a result of current, unresolved Communities and Local Government consultations and any further government or legislative activity.

2.2 To adopt the full range of technical changes to Council Tax as set out in **Appendix 1**

2.3 That the Financial Implications be factored into the proposed Budget for 2013/2014 to be considered by the Council in February 2013.

3 FINANCIAL IMPLICATIONS

3.1 It is recognised that in order to meet difficult financial challenges, the Council needs to carefully consider the extent to which it would be appropriate to utilise the facility available under the new Council Tax technical changes to ensure appropriate contribution is made by affected parties..

- 3.2** Based on the 2012/13 level of Council Tax charges, the full implementation of the available technical changes is expected to generate in the region of £1million (including Precepting bodies) This amount will be reduced by the collection rate assumption used when setting the Council's tax base which is proposed at 98.25% for 2013/14.
- 3.3** The amount generated may diminish over time as the changes encourage changes in behaviour, such as bringing homes back into use more quickly. This risk will be managed through the collection fund and future year's tax base adjustments.
- 3.4** 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.
- 3.5** By applying full discretionary powers afforded by 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.

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*

5 THE REPORT

5.1 Timetable of Changes

5.2 These changes were proposed by Cabinet at its meeting in July 2012 and are being enacted by the Local Government Finance Bill which is expected to receive final assent in Mid- November 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 These changes are taken in to account when setting the Council Tax base and as such need to be agreed in advance of any Council Tax Setting process.

5.4 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 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.

7.2 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.

7.3 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.

7.4 Prior to enabling these discretionary powers The Department for Communities and Local Government carried out its own extensive consultation process.

7.5 An Equality Impact assessment at a local level has been conducted and will continue to be reviewed.

8 OTHER OPTIONS CONSIDERED

8.1 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

8.2 *Consultation has already been conducted with: Cabinet members; Staff; Other B&NES Services; Section 151 Finance Officer; Chief Executive; Monitoring Officer*

8.3 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.

8.4 However, as it is clear, there will be a financial impact of these changes, consideration of this has been built into the Communication Plan, to fully inform those affected before April 2013.

9 ISSUES TO CONSIDER IN REACHING THE DECISION

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

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	http://www.communities.gov.uk/documents/localgovernment/pdf/2152512.pdf <i>(Technical Reform of Council Tax, Consultation response)</i> http://www.communities.gov.uk/documents/localgovernment/pdf/2053909.pdf <i>(DCLG Impact Assessment)</i>
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