
EXCERPT FROM THE MINUTES OF THE COMMUNITY OVERVIEW AND SCRUTINY PANEL HELD ON 22 NOVEMBER 2012

COSP.81/12 PROPOSALS FOR IMPLEMENTATION COUNCIL TAX TECHNICAL REFORMS TO DISCOUNTS AND EXEMPTIONS

The Director of Resources reported (RD.48/12) that the Local Government Finance Bill contained a number of 'technical' changes giving Councils greater freedom to vary existing discounts and exemptions. The Government considered that to be a suitable means of helping to offset the cost of a Local Support for Council Tax Scheme (LSCT) as the additional income would be shared between the precepting authorities in the same proportions they were funding the LSCT.

The report set out the current position in terms of the Council's Localised Support for Council Tax Scheme (LSCT); Council Tax Technical Reforms; together with details of the considerations and proposals relating to detailed Council Tax Technical Reforms.

The Director of Resources informed Members that the Council Tax Technical reforms were due to take effect on 1 April 2013 and, under the new proposals, local authorities would have limited discretion to reduce the exemption / discounts (increase the Council Tax liability) on empty dwellings and second homes. He added that, based on 2012/13 figures, the estimated shortfall for Carlisle was estimated at £120,000 - £190,000. Details of the anticipated savings that might be made from the changes to Council Tax discounts were summarised at paragraph 5.1 of the report.

The decisions to be made around setting levels of discount and premium for the wider Council Tax Technical Reforms required careful consideration, particularly as regards the financial, economic and wider community impact. The changes to discount suggested in the report took the 'middle road' between making full use of the technical changes to maximise income and minimise the impact on Council Tax payers. It should be noted however that the owners of empty homes were unlikely to welcome any reduction in their current discounts.

The Executive had on 19 November 2012 (EX.145/12) considered the report and decided:

"1. That the Executive had considered the proposals set out in Report RD.48/12 and summarised in paragraph 5.1 as a means to fund in part the grant reductions to be introduced from 1 April 2013 in funding the cost of the localisation of Council Tax Benefits (discounts).

2. That the recommendation of the Executive be progressed to Council as part of the 2013/14 budget considerations.

3. That the Executive wished to place on record their recognition of the remarkable work undertaken by Officers on this matter.”

In considering the report Members raised the following comments and questions:

- Were residents of care homes or members of the forces exempt if their home was empty?

The Director of Resources stated that he was unsure if there was an exemption for empty properties but if the residence was furnished the owner would have to pay as they currently did.

- Had there been any responses to the consultation?

The Director of Resources informed the Panel that there had been one response from a landlord which may turn into a petition.

- Was there an appeal process available?

The Director of Resources explained that there was system to challenge the banding but not an appeal process for these changes. The Council had an anti poverty strategy which enabled people to pay in instalments.

RESOLVED – That report RD.48/12 be noted.