
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 19 NOVEMBER 2012

EX.145/12 PROPOSALS FOR IMPLEMENTATION OF COUNCIL TAX TECHNICAL REFORMS TO DISCOUNTS AND EXEMPTION (Key Decision – KD.042/12)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources; and Community

Subject Matter

The Finance, Governance and Resources Portfolio Holder 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 Finance, Governance and Resources Portfolio Holder 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 c.£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 Finance, Governance and Resources Portfolio Holder felt that Officers had done a remarkable job in terms of the level of detail set out within the report.

In conclusion the Finance, Governance and Resources Portfolio Holder moved the recommendations, which were duly seconded by the Leader.

Summary of options rejected None

DECISION

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.

Reasons for Decision

To secure the implementation of Council Tax Technical Reforms to discounts and exemptions