

13 December 2012

Brighton & Hove City Council

Subject: Council Tax Discounts and Exemptions Reform –
Extract from the Policy & Resources Committee
Meeting held on the 29 November 2012

Date of Meeting: 13 December 2012

Report of: Interim Lead Chief Executive Services

Contact Officer: Name: Mark Wall Tel: 29-1006

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Wards Affected: All

FOR GENERAL RELEASE**Action Required of Council:**

To receive the item referred from the Policy & Resources Committee for approval:

Recommendation:

- (1) That the Council abolishes the 10% Second Home Discount, meaning that those liable for Second Homes will pay full Council Tax from 1 April 2013;
- (2) That the Council retains the current arrangement for empty dwellings undergoing repair or structural work, namely that liable parties will receive a 100% discount for up to 12 months, or for 6 months after work is complete, whichever is sooner. This provision is currently known as a "Class A Exemption";
- (3) That the Council introduces a period of up to six weeks 100% discount for dwellings that are empty and unfurnished, to replace the current six month exemption known as Class C;
- (4) That officers will have discretion, (a) to give an additional period of up to six weeks 100% discount after a change of liable party and (b) in exceptional circumstances, to extend the six week 100% discount to an absolute maximum of three months;
- (5) That the Council introduces an Empty Home Premium at the maximum 50%, meaning that those liable for empty dwellings will have to pay 150% Council Tax after two years of the dwelling remaining empty;
- (6) Accordingly that the Council makes / revokes the formal determinations for the financial year commencing on 1 April 2013 as set out in Appendix 4;
- (7) That the Director of Finance and other relevant officers identified in the Council's Scheme of Delegations to Officers as responsible for local taxation services and revenues and benefits, be authorised to take all appropriate steps to implement

and administer the recommendations, including publishing in accordance with statutory requirements; and

- (8) That the Head of Law be authorised to amend the Council's constitution by the addition in Part 3.1 (Council Functions) of a new paragraph in section 3.01 after the paragraph relating to Policy and Budget: "Council Tax: Exercising any function which, under section 67 of the Local Government Finance Act 1992, may only be discharged by the authority.

POLICY & RESOURCES COMMITTEE

4.00pm 29 November 2012

COUNCIL CHAMBER, HOVE TOWN HALL

DRAFT MINUTES

Present: Councillor J Kitcat (Chair) Councillors Littman (Deputy Chair), Bowden, Hamilton, Mitchell (Opposition Spokesperson), A Norman, Peltzer Dunn, Shanks, G Theobald (Opposition Spokesperson) and West.

PART ONE

80. COUNCIL TAX DISCOUNTS AND EXEMPTIONS REFORM

- 80.1 The Head of City Services introduced the report which outlined the results of the consultation and progress made in regard to the proposals to change the council's scheme for council tax discounts and exemptions. She informed the committee that the proposed changes would need to be approved by the Full Council and that it was hoped to take the report, if approved, to the next council meeting in December, however the required Regulations had yet to be approved by Parliament and therefore may delay matters. She stated that it was recommended to abolish second home discounts, maintain the arrangements for repairs and structural works and to have a maximum period for full discount charge of up to six weeks but with the discretion for exceptions to extend this to up to three months. She also referred to the need for a couple of amendments on page 60 to the detail in appendix 1, first bullet point which needed to have a line through the word 'example' and on page 49, third line where the figure 60% should read as 70%.
- 80.2 The Chair welcomed the report and noted the difficulties faced at the present time because of the uncertainties around the changes and the implementation of the regulations. However, he supported the proposals and hope that they would encourage the quicker turn around of properties.
- 80.3 Councillor Peltzer Dunn stated that he agreed with the proposals in principle but felt that it was not only landlords who were responsible for the management of empty properties,

as people moved out of their homes whilst seeking to sell and therefore could be caught by recommendations 2.3 and 2.4 which was a concern.

- 80.4 The Chair noted the comments and stated that he hoped the discretionary rules would be used in such circumstances.
- 80.5 Councillor Ann Norman thanked the officers for the report and their hard work in enabling it to come forward at this time and stated that she supported its objectives. However she sought clarification in regard to paragraph 3.18 as she believed that Councillor Littman had written to the Secretary of State calling for changes to enable councils to remove student exemptions and single person discounts, whereas a recent press release from the Leader of the Council stated that there was no such intention to remove these elements.
- 80.6 Councillor Littman stated that following the Scrutiny Panel review and a number of recommendations being made, one of which was to seek the power to be able to make such changes, he did sign a letter to that effect which was sent. However, this was an error on his part as he had not checked with his colleagues.
- 80.7 The Chair confirmed that there was no intention to vary the current arrangements.
- 80.8 Councillor Mitchell welcomed the report and added her thanks to the officers involved in producing the report and the new proposals which she felt struck the right balance.
- 80.9 The Chair then put the recommendations to the vote which were carried.
- 80.10 **RESOLVED TO RECOMMEND:**
- (1) That the Council abolishes the 10% Second Home Discount, meaning that those liable for Second Homes will pay full Council Tax from 1 April 2013;
 - (2) That the Council retains the current arrangement for empty dwellings undergoing repair or structural work, namely that liable parties will receive a 100% discount for up to 12 months, or for 6 months after work is complete, whichever is sooner. This provision is currently known as a "Class A Exemption";
 - (3) That the Council introduces a period of up to six weeks 100% discount for dwellings that are empty and unfurnished, to replace the current six month exemption known as Class C;
 - (4) That officers will have discretion, (a) to give an additional period of up to six weeks 100% discount after a change of liable party and (b) in exceptional circumstances, to extend the six week 100% discount to an absolute maximum of three months;
 - (5) That the Council introduces an Empty Home Premium at the maximum 50%, meaning that those liable for empty dwellings will have to pay 150% Council Tax after two years of the dwelling remaining empty;
 - (6) Accordingly that the Council makes / revokes the formal determinations for the financial year commencing on 1 April 2013 as set out in Appendix 4;

- (7) That the Director of Finance and other relevant officers identified in the Council's Scheme of Delegations to Officers as responsible for local taxation services and revenues and benefits, be authorised to take all appropriate steps to implement and administer the recommendations, including publishing in accordance with statutory requirements; and
- (8) That the Head of Law be authorised to amend the Council's constitution by the addition in Part 3.1 (Council Functions) of a new paragraph in section 3.01 after the paragraph relating to Policy and Budget: "Council Tax: Exercising any function which, under section 67 of the Local Government Finance Act 1992, may only be discharged by the authority.