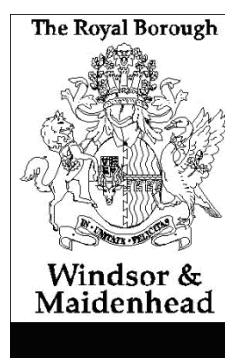


Report for: ACTION



Contains Confidential or Exempt Information	NO - Part I
Title	Change to Council Tax Empty and Unfurnished Exemption
Responsible Officer(s)	Simon Fletcher, Strategic Director of Operations and Customer Services
Contact officer, job title and phone number	Andy Jeffs, Head of Revenues and Benefits and Deputy Director of Operations and Customer Services, 01628 796527
Member reporting	Cllr Hill
For Consideration By	Cabinet
Date to be Considered	24 November 2016
Implementation Date if Not Called In	1 April 2017
Affected Wards	All

REPORT SUMMARY

1. From 1 April 2013, the council used new statutory powers to reduce the 100% empty and unfurnished exemption from six months to one month. The proposals in the report seek to refine that change.
2. The proposal in this report is to remove the discretionary one-month, 100% empty and unfurnished exemption (see Appendix A for a full list of current discounts and exemptions) in line with many other local authorities with effect from 1 April 2017. This is the last discretionary discount/exemption offered by the council.
3. The amount of collectable Council Tax will increase by £325,000, of which £267,000 would be retained by the Council, with £58,000 being retained by preceptors. The cost of Council Tax administration would also reduce by £25,000.
4. If agreed this recommendation will also need to be put before full Council on 13 December 2016.

If recommendations are adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Additional Council Tax revenue of £325,000, of which, the council would retain £267,000 providing the	31 March 2018

council with additional income to fund council services	
2. Reduction in cost of administering Council Tax by £25,000	31 March 2018

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: That Cabinet:

- i. **Endorses the principle of removing the one-month Council Tax exemption for empty and unfurnished properties (previously known as Class C discount), with effect from 1 April 2017, and recommends this to Council for a final decision.**
- ii. **Grants delegated authority subject to approval by Council to the Strategic Director of Operations and Customer Service, in conjunction with the Lead Member for Customer & Business Services (including IT), to take all appropriate steps to implement and administer the preceding recommendation in accordance with statutory requirements.**

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 As part of delivering differently a review of all Council Tax discounts and exemptions currently offered by the council was completed, including comparing them to those offered by other councils.
- 2.2 A large number of other councils have already decided to remove the exemption and the table below provides the position with regard to a number of neighbouring or close authorities:

Council	Empty and Unfurnished Exemption
Chiltern & South Bucks	100% 3 months
Wokingham	100% 1 month (reviewing)
South & Vale	100% 1 month
West Berks	0%
Northampton	0%
Reading	0%
Oxford	100% 1 month
Slough	0%
Bracknell	0%

- 2.3 The government introduced new discretion for local authorities around certain categories of property exemptions for Council Tax, with effect from 1 April 2013.
- 2.4 The council determined that it would utilise the new powers in order to make changes to empty property exemptions. Before 1 April 2013, an empty and unfurnished property could be totally exempt from Council Tax for up to six months. The period of exemption was reduced to a maximum of 1 month, during which a 100% exemption (e.g. nothing to pay) could be applied.
- 2.5 A full list of the current discounts and exemptions can be found in Appendix A.

- 2.6 In 2015-16 the value of exemptions in Council Tax for the one-month empty and unfurnished exemption totalled £325,000 of which, £267,000 was the direct cost (loss of Council Tax revenue) to the council, and £58,000 was direct cost to other preceptors. In addition, it is estimated that the annual cost of administering the exemption is £25,000 per annum.
- 2.7 Removing the exemption would provide the council with an estimated £267,000 in additional Council Tax in 2017-18 and beyond, other preceptors £58,000 and the council savings of £25,000.
- 2.8 The following options have been considered:

Option	Comments
The current 1-month empty and unfurnished exemption could be left in place – This is not the recommended option.	The estimated additional £325,000 in Council Tax, of which £267,000k would be retained by the council and £58,000 by other preceptors, along with the reduction of £25,000 in the cost of administering collection would not be achieved.
The 1-month empty and unfurnished exemption could be reduced to a nominal figure of up to seven days – This is not the recommended option.	Only £81,000 in estimated additional Council Tax, of which, £67,000 would be retained by the council and £14,000 by other preceptors would be achieved, and there would be no reduction in the cost of administering Council Tax.
Remove the 1-month empty and unfurnished exemption from 1 April 2017- This is the recommended option.	This would provide an estimated additional £325,000 in Council Tax in 2017-18 and beyond, of which, the council would receive £267,000, and other preceptors £58,000. In addition the cost of administering Council Tax would reduce by £25,000.

3. KEY IMPLICATIONS

3.1 The defined outcomes are:

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Increase in RBWM Council Tax by	<£267,000	£267,000	>£267,000 <£280,000	>£280,000	31 March 2018
Reduction in cost of Council Tax processing	<£25,000	£25,000	>£25,000 <£30,000	>£30,000	31 March 2018

4. FINANCIAL DETAILS

Financial impact on the budget

- 4.1 An estimated additional amount of £325,000 in 2017-18 and ongoing should be paid into the Council Tax collection fund. Of this £267,000 will be the council's share, and £58,000 would be the other preceptors share.
- 4.2 The resource required to administer Council Tax would reduce by 0.5 FTE, and this in addition to reduced print and postage charges will generate the following saving:

	2017/18	2018/19	2019/20
	Revenue	Revenue	Revenue
Addition	£0	£0	£0
Reduction	£25,000	£0	£0

5. LEGAL IMPLICATIONS

- 5.1 The council's power to amend the level of Council Tax discount payable in respect of certain classes of property derives from section 11A of the Local Government Finance Act 1992.
- 5.2 In accordance with section 67 of the Local Government Finance Act 1992, only full Council has authority to agree the recommendations in paragraph 1 of this report. The power is not delegable to a committee, sub-committee or officer.
- 5.3 If the recommendation is agreed by full Council it shall be published in at least one newspaper circulating in its area within 21 days of the agreement.

6. VALUE FOR MONEY

- 6.1 There is no additional cost associated with this recommendation. The council will increase Council Tax collection by an estimated £325,000 of which £267,000 will be retained by the Royal Borough, and £58,000 by other preceptors. The cost of administering Council Tax will reduce by £25,000 per annum as described above.

7. SUSTAINABILITY IMPACT APPRAISAL

- 7.1 Include in this section details of the impact that your report proposals will have on sustainability objectives e.g. use of energy and physical materials. If none, say so.

8. RISK MANAGEMENT

- 8.1 The following risk has been identified:

Risks	Uncontrolled Risk	Controls	Controlled Risk
The council may not collect this amount in full from council tax payers	£267,000	The Council Collects 99.5% of Council Tax by utilising the recovery powers it has fairly and appropriately	£13,000

9. LINKS TO STRATEGIC OBJECTIVES

9.1 Putting Residents First

The council will have more Council Tax income so will be able to invest this in strategic priorities aligned to Putting Residents First such as major infrastructure investments, investment in council services, or improving the boroughs roads.

9.2 Value for Money

The removal of the 1-month empty and unfurnished exemption will reduce the cost of administering Council Tax by £25,000 per annum linking directly to the “all services, that we deliver for our residents, will be run cost effectively” strategic priority.

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 The recommendation if agreed will have a financial impact on the persons owning premises as they will no longer receive a up to 1-month empty and unfurnished exemption. However, it is not possible to demonstrate that this impact bares any relevance to the Equality Duty, or that persons affected are impacted to any disproportionate degree on the basis of having protected characteristics. The proposals pertain to the time bound circumstances of residencies in the Royal Borough, rather than its residents.

10.2 The assessment therefore concludes that the recommendation to remove the empty and unfurnished exemption cannot be shown to affect people with protected characteristics or the Equality Duty, they are assessed as equality-neutral and a further Equality Impact Assessment is not required at this time.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 If the 1-month empty and unoccupied exemption is removed this will lead to a reduction of 0.5 FTE in the Business Services team. This can be achieved without redundancy.

12. PROPERTY AND ASSETS

12.1 None.

13. ANY OTHER IMPLICATIONS

13.1 The Customer Service Centre will receive less telephone calls as a result of the recommendations in the paper being agreed.

14. CONSULTATION

14.1 Corporate Services Overview and Scrutiny Panel are yet consider this paper.

14.2 No external consultation has been carried out.

15. TIMETABLE FOR IMPLEMENTATION

15.1 The following table shows the stages and deadlines for implementing the recommendation:

Date	Details
27/10/2016	Recommendation to Cabinet for approval
13/12/2016	Recommendation to Council for approval
02/01/2017	Publish decision in local newspaper and web-site
01/04/2017	Removal of 1 month unoccupied and unfurnished exemption

16. APPENDICES

16.1 Appendix A – Discounts and Exemptions

17. BACKGROUND INFORMATION

17.1 This is a statutory requirement

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Hill	Lead Member	28/09/16	29/09/16	
Cllr Saunders	Lead Member Finance	29/09/16	29/09/16	
Simon Fletcher	Strategic Director Operations and Customer Services	21/09/16	27/09/16	
Alison Alexander	Managing	29/09/16	29/09/16	

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
	Director & Strategic Director of Adult, Children and Health Services			
Russell O'Keefe	Strategic Director of Corporate and Community Services	29/09/16	29/09/16	
Rob Stubbs	Head of Finance and Deputy Director of Corporate and Community Services	29/09/16	29/09/16	
Terry Baldwin	Head of HR	29/09/16	29/09/16	

REPORT HISTORY

Decision type:	Urgency item?	
Key decision	No	
Full name of report author	Job title	Full contact no:
Andy Jeffs	Head of Revenues & Benefits and Deputy Director of Operations and Customer Services	01628 796527