

# **Cherwell District Council**

## **Executive**

**1 February 2016**

### **Council Tax Discounts 2016-2017**

## **Report of Head of Finance and Procurement**

This report is public

### **Purpose of report**

To make a proposal to members of the Executive for the locally determined Council Tax discounts for 2016-2017.

### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To agree a recommendation to Full Council in respect of locally set Council Tax discounts as part of the budget setting process for 2016-17.

### **2.0 Introduction**

- 2.1 On 14 December 2015 Council approved the Council Tax Reduction scheme for 2016-17.
- 2.2 On 7 September 2015 the Executive recommended to Council that a premium of 150% be introduced from 1 April 2016 for homes that had remained empty for two years, subject to certain exemptions.
- 2.3 This report makes proposals for the other locally set Council Tax discounts.

### **3.0 Report Details**

- 3.1 Since 2013-14 the Council has had discretion in setting the level of some Council Tax discounts. This discretion can help mitigate some of the costs of maintaining an unchanged Council Tax Reduction scheme.

3.2 For 2015-16 the discounts have been set as:

- a. Unoccupied and unfurnished discount for maximum period of 6 months without reoccupation of 6 weeks in between – 25% discount.
- b. Unfurnished and uninhabitable discount for a maximum period of 12 months without reoccupation of 6 weeks in between – 50% discount
- c. Second home (non-work related) discount – 0% discount
- d. Furnished properties 0% discount for second homes
- e. Empty and unfurnished long term empty property discount – 0% discount

3.3 For 2016-17 it is also proposed to reduce the discount for unfurnished and uninhabitable properties to 25%. Experience of operating this discount for the past two and a half years has shown that the greater discount for uninhabitable properties has resulted in speculative applications and appeals that are difficult and time consuming to resolve. The proposed change would remove the incentive for such applications.

3.4 The value of the unfurnished and uninhabitable discounts awarded for 2015-16 as at 21 December 2015 is approximately £71,000. Reducing the discount to 25% would save approximately £35,500 of which approximately £3,000 would be retained by Cherwell District Council.

3.5 It is proposed that there should be no change to the other discounts.

## **4.0 Conclusion and Reasons for Recommendations**

4.1 The recommendation is to amend the locally set Council Tax discounts as set out earlier in this report.

4.2 Members are required to note the contents of this report and the potential financial implications on the Council and to determine a recommendation for Council to consider.

## **5.0 Consultation**

Public and major preceptors.

## **6.0 Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified in respect of the Council Tax discounts and rejected for the reasons as set out below.

Option 1: To leave the discounts unchanged. This would leave the Council Tax scheme open to abuse and would be a cost to the Council.

## 7.0 Implications

### Financial and Resource Implications

The proposed change would reduce by £3,000 the cost of administering locally set Council Tax discounts.

Comments checked by:  
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### Legal Implications

7.2 There are no implications.

Comments checked by:  
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## 8.0 Decision Information

### Key Decision

**Financial Threshold Met:** Not applicable

**Community Impact Threshold Met:** Not applicable

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

All

### Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management

### Document Information

| Appendix No         | Title  |
|---------------------|--|
| None                |  |
| Background Papers   |  |
| None                |  |
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