

Committee:	Governance, Audit and Performance	Date:
Title:	Discretionary Council Tax Relief Policy	Tuesday, 24 March 2020
Report Author:	Sue Ellis, Revenues Manager sellis@uttlesford.gov.uk	Item for decision: Yes

Summary

1. S13A(1)(c) of the Local Government Finance Act gives billing authorities (those responsible for the billing and collection of council tax) the discretionary power to reduce, or further reduce, the amount of council tax a person is liable to pay. This power is applied in cases of exceptional hardship.
2. In December 2019, Leaders and Chief Executives of the County, district, borough and city councils in Essex agreed that they would like to support care leavers with their council tax liabilities.
3. The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts in place of statutory exemptions and also allows for the use of premiums for certain long term empty premises.
4. Council Tax Premiums apply to all unoccupied and unfurnished properties in Uttlesford after a period of 2 years has elapsed since the property became unoccupied. Where there are mitigating circumstances it may be deemed that the premium is not appropriate and can be waived subject to qualifying criteria.

Recommendations

5. The Committee is requested to recommend to Council the adoption of the following policies as set out in the report and associated appendices;
 - a. That a Council Tax discretionary discount for Essex Care Leavers as set out in Appendix A is applied
 - b. That the Empty Property Premium Waiver as set out in Appendix C is applied

Financial Implications

6. The cost of the discount applied to Care leavers will be shared with Essex County Council, who have agreed to fund up to 72% of the cost through the precept. It is hard to quantify the number of Care leavers in the Uttlesford District area due to Data Protection principles Essex County Council are unable to release the numbers to us, however it is expected the numbers to very low.

The Council Tax Premium waiver will be fully funded by Uttlesford, the estimated income collectable in 2020 is £144,020 and the forecast prediction of properties that may qualify for the waiver is 10 at an average cost per property of £1,921 per property.

Background Papers

7. None

Impact

Communication/Consultation	None
Community Safety	None
Equalities	Yes
Health and Safety	None
Human Rights/Legal Implications	Compliance with relevant legislation
Sustainability	<ul style="list-style-type: none"> • UDC will be refunded by ECC via precept 72% of the cost of the care leavers scheme • UDC will meet the full cost of the Council Tax Premium waiver
Ward-specific impacts	None
Workforce/Workplace	None

Care Leavers Discount Policy

8. The Council Tax Care Leavers policy is attached as Appendix A and has been discussed by Essex Chief Executives and Leaders and Essex Finance Officers Association. For consistency the same policy will be introduced across Essex.
9. The policy applies to specified persons leaving the care of Essex County Council until they reach the age of 21. The unitary authorities of Thurrock and Southend have implemented their own policies covering their own care leavers.
10. The principle behind the policy is that a care leaver living alone or solely with other care leavers will pay no council tax (in much the same way as the exemption which is applied to students). A care leaver who joins a household which already pays council tax will be granted as much relief as is required to

ensure that the existing council tax liability does not increase as a result of their presence in the household.

11. In all cases, the care leaver is required to ensure that they apply for all applicable national or local reliefs, discounts, exemptions or reductions to ensure that the council tax liability is reduced by as much as possible before any discretionary assistance is calculated.
12. The policy will take effect from 1 April 2020.

Council Tax Premium waiver

13. The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts in place of statutory exemptions and also allows for the use of premiums for certain long term empty premises.
14. The intention of Central Government is to allow Councils the flexibility to raise additional Council Tax and to ensure that premises do not remain unoccupied or unused for extensive periods of time.
15. Council Tax Premiums apply to all unoccupied and unfurnished properties in Uttlesford after a period of 2 years has elapsed since the property became unoccupied, irrespective of the individual circumstances relating to the property or owner.
16. There are mitigating circumstances where it may be deemed that the premium is not appropriate and can be waived providing the qualifying criteria is met.
17. The proposed exceptions are set out in Appendix C of the Council Tax Empty Property Policy (Appendix B), the waiver on the premium will be by application and full supporting evidence will be required in each case.
18. The Policy will take effect from the 1st April 2020 and each application will be considered by the Revenues Manager in consultation with the Assistant Director of Resources.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Care leavers cost implications could be higher than anticipated	1-The number of Care leavers in UDC area is low this maybe under estimated	1 – reduction in council tax collectable income	ECC sharing the costs (72% of the total cost of discount) Regular monitoring of the level of relief awarded on a quarterly basis

<p>Council Tax Premium Waiver will be higher than budgeted</p>	<p>2 – The number of applications are estimated only, however in the last financial year approx. only 5 affected property owners provided representations against the charge</p>	<p>2 – The financial impact for the Council is moderate</p>	<p>Robust policy with clear and concise qualifying criteria</p> <p>Review of the amount of premiums waived will be reviewed on a quarterly basis</p>
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.