

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>11 July 2012</b>
<b>Subject:</b>	<b>Consultation on Local Council Tax Support Scheme and changes to Council Tax Discounts and Exemptions</b>
<b>Report Of:</b>	<b>Ian Fitzpatrick Senior Head of Community</b>
<b>Ward(s)</b>	All
<b>Purpose</b>	To seek authority to carry out a consultation exercise on proposals for a Local Council Tax Support scheme and changes to Council Tax Discounts and Exemptions
<b>Decision Type:</b>	Key
<b>Recommendation:</b>	That the Senior Head of Community is given delegated authority in consultation with the Portfolio Holder for Community to develop a draft Local Council Tax Support Scheme and Discounts & Exemptions Policy for formal consultation during the summer period.
<b>Contact:</b>	Bill McCafferty, Revenues and Benefits Manager, Telephone 01323 415171 or internally on extension 5171. Bill.mccafferty@eastbourne.gov.uk

---

## **1.0 Background**

- 1.1 At the May Cabinet meeting a report was put forward outlining that the Council has to implement a Local Council Tax Support Scheme by 31 January 2013, to replace the national Council Tax Benefits scheme, for implementation from April 2013. In addition to the above, the Government has been consulting on flexibilities to the current system of discounts and exemptions to Council Tax.
- 1.2 Eastbourne is leading collaborative working across East Sussex. The project programme includes developing draft options within the Government's financial framework, impact assessment, consultation and formal scheme design. Formal adoption of any scheme or policy will be subject to a further Cabinet Report in the autumn once consultation has been completed.
- 1.3 The draft Local Council Tax Support Scheme and Discounts & Exemptions Policy are being developed under the Corporate Plan Thriving Communities and Sustainable Performance Priority Themes and in line with the core principles of Valuing all people, Being sustainable and Being efficient.

## 2.0 **Local Council Tax Support**

2.1 Before making the scheme the Council must, in the following order:

- (a) consult with major preceptors; then
- (b) publish a draft scheme; then
- (c) consult other such persons as it considers are likely to have an interest in the operation of the scheme

In relation to a) consultation with the major preceptors is currently ongoing.

Whilst consideration of options for a scheme is still taking place, due to the tight timeframe imposed by the changes, it is necessary to seek authority for the Senior Head of Community to carry out a consultation exercise over the summer period once a draft scheme is developed.

## 3.0 **Discounts and Exemptions**

3.1 A range of discounts and exemptions (from class A to W) are awarded under the current system to tax payers. As an example, under a class C exemption Council Tax is not payable for 6 months where a home is empty and substantially unfurnished.

The Local Government Finance Bill makes provision for changes to certain Council Tax Exemptions and Discounts. A full list of the current Discounts and Exemptions is available at:

<http://www.eastbourne.gov.uk/council/tax/>

The Government have been consulting on flexibilities and changes to the current system since October 2011 and published a technical paper in response to the consultation feedback at the end of May.

The Government's technical paper can be found at:

<http://www.communities.gov.uk/publications/localgovernment/technicalreformcounciltaxsors>

The proposed flexibilities, assuming the Local Government Finance Bill receives Royal Assent, will enable the Council to set a new policy to support Council Objectives.

At this stage, work is still being undertaken to assess the options, however, before making a new policy, the Council would seek to consult with the community and partners on any proposals for change.

## 4.0 **Consultation**

4.1 Consultation on proposals for a Local Council Tax Support scheme and changes to Council Tax Discounts & Exemptions will be carried out, as far as

possible, in line with the East Sussex Compact. However, the tight timetable for implementation might mean that a full 12 week consultation period is not possible if we are to build sufficient time to consider responses prior to setting a scheme in time for budget setting.

## **5.0 Resource Implications**

### 5.1 Financial

There will be financial cost in undertaking the consultation. However, this can be met from a grant received from the Department for Communities and Local Government and there is no direct financial implication to this activity.

### 5.2 Staffing

The consultation will be carried out using existing staff resources.

## **6.0 Other Implications**

### 6.1 Equalities

Meaningful consultation is needed to ensure that the Council considers the impact of introducing changes in line with its equality duties.

## **7.0 Summary of Options**

7.1 The Council must undertake a consultation in line with the provisions in the Local Government Finance Bill.

## **8.0 Conclusion**

8.1 Given the Government's extremely tight time frame for implementation it is necessary to request that the Senior Head of Community in consultation with the Portfolio Holder for Community is given authority to develop a draft scheme and policy and for a consultation exercise to be carried out during the summer period.

**lead officer name Bill McCafferty**  
**job title Revenues & Benefits Manager**

---

### **Background Papers:**

The Background Papers used in compiling this report were as follows:

*May Cabinet Report of Localisation of Council Tax*

*Local Government Finance Bill*

To inspect or obtain copies of background papers please refer to the contact officer listed above.