

THE TECHNICAL REFORM OF COUNCIL TAX
(Report by the Overview and Scrutiny Panel (Economic Well-Being))

1. INTRODUCTION

- 1.1 At its meeting held on 6 September 2012, the Overview and Scrutiny Panel (Economic Well-Being) considered the report by the Head of Customer Services outlining the Government's proposals to reform Council Tax with effect from 1st April 2013. The following paragraphs contain a summary of the Panel's discussions on the report.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has reviewed proposals for a number of changes to Council Tax discounts/exemptions. Those affected will include those who inherit property and private landlords. Having considered the three main types of discounts/exemptions, the Panel has expressed support for the proposals. They will generate extra income for the Council but this will be used to reduce the impact on the Council of the changes to Council Tax support, which is discussed in a separate report.
- 2.2 Members have discussed the social consequences of the proposals. It has been concluded that overall they will result in houses being occupied more quickly. This view on the social consequences of the proposals has been endorsed by the Chairman of the Social Well-Being Panel, who has stated that they are fair.
- 2.3 With regard to the proposal to reduce the exemption for unoccupied and substantially unfurnished properties from six months to one month, the Panel has been assured that testing has been undertaken to maximise the cost-effectiveness of the change.

3. CONCLUSION

- 3.1 Having concluded their discussions, the Panel has recommended the Cabinet to express support in principle for the Council to:
- Grant unoccupied and unfurnished (Class C) properties 100% discount for 1 month and 0% thereafter
 - Reduce Second Home Discount to 0%
 - Grant uninhabitable properties (Class A) 100% discount for a maximum of 12 months;
 - Levy Empty Homes Premium after two years at 50% in addition to the 100% charge currently made;
 - Continue to require monthly instalments to be made on the 15th day of each month (extended to those requesting 12 monthly instalments)

but managers be permitted to include an additional later instalment date purely as an incentive for those opting to pay by direct debit.

- Continue to work in Partnership with other Cambridgeshire local authorities to publish the 48 page Council Tax Booklet (which includes the on line publication).

3.2 The Cabinet is invited to consider the discussions of the Overview and Scrutiny Panel (Economic Well-Being) as part of their deliberations on this item.

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Background Documents

Report and Minutes of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 6th September 2012.