

To: Council

Date: 19th February 2014

Supplementary Report of: Head of Finance

**Title of Report: Medium Term Financial Strategy 2014-15 to 2017-18 and
2014-15 Budget for Consultation: A Fair Future to Oxford**

Summary and Recommendations

Purpose of report: To change the recommendation from City Executive Board (CEB) 12th February 2014 relating to Council Tax Discount Class A

Key decision: Yes

Executive lead member: Councillor Ed Turner

Policy Framework: The Council's Corporate Plan

Recommendation(s): To change the recommendation (1.f) made by CEB on 12th February 2014 and retain the Class A discount at 25% for a maximum period of 1 year in accordance with paragraph 9 below.

Introduction

1. On 12th February 2014 the City Executive Board agreed a recommendation to Council to make changes to Council Tax Discounts and Exemptions for empty homes and unoccupied properties.
2. This report updates Members on additional information received and the subsequent necessary change to the recommendation made on 12th February 2014.

Background to Changes

- 3 The CEB report of 12th February agreed a recommendation to Council to vary Council tax discounts and exemptions for empty and unoccupied property as follows:

- To change Discount Class C (vacant - empty & unfurnished) to a 100% discount from the date the property becomes empty for a period of up to 1 month then apply 0% discount
 - To change Discount Class A (in need of structural repair) to give a 100% discount for 2 months and then apply a 0% discount. To give New Builds 100% discount for one calendar month then apply 0% discount.
- 4 Whilst the proposal in respect of the Class C discount stands, further information has been received with reference to the Class A discount which requires a change to the recommendation made in February.
- 5 The Explanatory Notes to the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 state in respect of Class A properties that:
- “Billing authorities will be able to decide what percentage of Council Tax to charge in relation to these classes of dwellings instead of the discount, up to the full amount.....but they will only fall into this class for a maximum period of 12 months”.
- 6 This was interpreted as providing latitude on the period of discount and the ability to apply different discounts to different categories of property within this Class.
- 7 Paragraph 11 (1) 4B of the Local Government Finance Act 2012 however states “a billing authority may not specify a description of dwellings ... **by reference (wholly or partly) to a shorter period**”.
- 8 Subsequent advice received from the Department for Communities and Local Government (DCLG) Council Tax Division indicated that it was not intended for the discount on Class A properties to be sub-categorised or set for a period of less than 12 months.
- 9 Consequently it is recommended that the Council Tax Discount for Class A empties remains unchanged from that agreed on 1st April 2013 namely a 25% discount for a period of one year.

Financial Implications

- 10 The initial proposal was intended to assist with administrative efficiencies rather than cashable financial benefits. Having operated with Class A in this capacity during 2013/14 reversion should not create any increased burden.

Legal Implications

- 11 These are covered in the report.

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List of background papers: Version number: 1.1

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