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**SUBJECT: Local Council Tax Support Scheme and Council Tax Discounts
2015/16**

1. PURPOSE OF THE REPORT

1.1 To seek approval for the adoption of the Local Council Tax Support Scheme for 2015/16 and to consider the current council tax discounts for empty properties.

2. RECOMMENDATIONS

- a) That the contents of the report are noted
- b) That the welfare changes made in respect of Housing Benefit assessments are adopted for the Local Council Tax Support Scheme for 2015/16
- c) That the localised Council Tax Support Scheme that was approved by Council in January 2014 is continued for the financial year 2015/16 as set out in Appendix A
- d) That any subsequent technical amendments to the Council Tax Support Scheme that may be required following legislative changes are delegated to the Director of Finance & IT in consultation with the Executive Member, Resources.
- e) That Council notes the current level of discount and consultation on council tax discounts for properties that require major repair or are undergoing structural alteration
- f) That Council notes the current level of discount and consultation on council tax discounts for unoccupied and unfurnished properties

3. BACKGROUND

3.1 Local Council Tax Support Scheme

The Welfare Reform Act 2012 contained provisions which abolished Council Tax Benefit and recommended localised schemes to be administered by Local Authorities throughout England with effect from 1st April 2013 for the financial year 2013/14.

As a consequence of the legislation, it was agreed at Council on 31st January 2013 that the localised scheme adopted by Blackburn with Darwen BC would be means tested in the same way as Council Tax Benefit, however, awards would be 20% less for working age claimants than the previous national scheme.

Council Forum in January 2014 confirmed that this scheme would continue to apply for 2014/15.

Billing Authorities are obliged to consider the local scheme each financial year and formally agree the provision. Any substantive change to the current scheme would also require consultation with major preceptors and members of the public.

3.2 Council Tax discounts for empty properties

The Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 (SI 2012/2965) provides that a billing authority may determine the council tax discounts applicable where there is no resident of the property. From 1st April 2013 section 11A of Local Government Finance Act (LGFA) 2012 amended section 11A of the LGFA 1992 and provides for the Council to determine its own discount for unoccupied and unfurnished property.

In January 2013, Council agreed to amend the council tax chargeable for empty properties and current discounts are:

- 100% discount for the first six months a property is unoccupied and unfurnished
- 100% discount for the first twelve months a property requires major repair or is undergoing structural alteration

3.3 Court Fees

Consideration has also been given to increasing court fees, Blackburn with Darwen fees are below the average charged across Lancashire, however, this option was discounted as a significant number of Council Tax payers who receive a summons are on low income and in receipt of Council Tax Support. It is considered that additional costs levied against these individuals would further increase the financial pressures on families on low income.

4. KEY ISSUES

4.1 Local Council Tax Support

In preparation for setting the budget for 2015/16, the Council is obliged to formally continue the scheme already agreed or make any adjustments prior to 1st April 2015. This report seeks to fulfil the necessary legal requirements and confirm Blackburn with Darwen BC's Council Tax Support scheme for 2015/16.

Changes made to National Welfare benefit entitlement will have a direct effect on the assessment of the Council's own Council Tax Support Scheme. The changes proposed will affect a small number of cases and have very little financial impact on the Council. The changes proposed include an updating of the non-dependent deductions, clarification of Universal Credit calculation, and amendments to claims including Armed Forces personnel and EEA nationals. All amendments are contained in the scheme set out at Appendix A.

4.2 Council Tax discounts for empty properties

The Government has provided discretion for Councils in respect of the amount of Council Tax that is charged to empty properties. Limiting the discounts in Council Tax for empty properties supports the Council's overall aim of encouraging owners of empty properties to bring them back into use, and reduce the number of long term empty properties throughout the Borough.

In addition to the revenues raised from the removal of discounts from empty properties, any property that is subsequently occupied will allow the Council to maximise additional income from the Government through the New Homes Bonus initiative.

It is considered that retaining a 100% discount for an initial period – this is currently 6 months - allows landlords more than sufficient time to re-let properties following the turnover of tenants.

A consultation exercise has been running on the Council website asking whether the current discount periods should be retained, removed or reduced. Feedback from this consultation will be considered by Executive Board and reported to Finance Council which may then wish to consider amending the discount periods.

5. POLICY IMPLICATIONS

By maintaining the Local Council Tax Support scheme from 2013/14 into 2015/16 there is no significant policy change to consider. All minor adjustments are contained in Appendix A.

Any amendment to empty property discounts would require the working procedures of

the Council Tax teams to be immediately reviewed and amended.

6. FINANCIAL IMPLICATIONS

The localisation of Council Tax Support does result in an increased financial risk to the Council as any increase in the number of claimants or amount of Council Tax Support awarded will be met solely by the Collection Fund.

7. LEGAL IMPLICATIONS

The Localised Council Tax Support Scheme must be agreed by Council each year.

The Local Government Finance Act 2012, and Statutory instruments 2012 No. 2965 provide Local Authorities with the power to reduce or remove discounts where a property is unoccupied.

8. RESOURCE IMPLICATIONS

There are no other resource implications associated with this report.

9. EQUALITY IMPLICATIONS

In preparing for the transfer of council tax benefit to local authorities, the DCLG completed an initial Equality Impact Assessment in January 2012, and an Updated Impact Assessment in June 2012. In addition, Blackburn with Darwen Borough Council prepared a high level Equality Impact Assessment. As the scheme remains the same the EIA is still valid and applicable for 2015/16.

The Council has a number of statutory duties when considering equality implications. Any amendments to the council tax discount for empty properties would be a policy amendment for the Council, and accordingly, decision makers would need to have regard to the Council's equality duties and ensure that the process followed to assess the equality impact of financial proposals is robust and that the impact on equality groups is thoroughly considered before decisions are arrived at.

10. CONSULTATIONS

The Council, as a billing authority, was required to enter into public consultation to develop and adopt a localised Council Tax Support scheme for implementation across Blackburn with Darwen from 1st April 2013. As the scheme will remain the same for 2015/16 there is no further requirement to undertake a new consultation exercise.

There are no mandatory consultation requirements for amending council tax discounts for empty properties, however an on-line survey was recently undertaken on the Council's website with a deadline for responses of 22nd January 2015.

Chief Officer/Member

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Date: 29th January 2015

Background Papers: Appendix A Local Council Tax Support Scheme 2015/16