

COUNCIL - 13TH DECEMBER 2012

ADDENDUM TO AGENDA - ITEM 7

RECOMMENDATIONS OF THE EXECUTIVE

Minute/
Page No.

EXECUTIVE : 6TH DECEMBER 2012

60/- LOCALISATION OF COUNCIL TAX SUPPORT

The Executive received a report on the adoption of a local Council Tax support scheme from 1st April 2013. The report set out relevant statutory powers, detailed proposals with recommendations on Council Tax support, legal, financial and equalities implications, risk management considerations, the outcome of consultation and policy framework issues.

The Council was required to design and implement a local Council Tax support scheme from 1st April 2013 as Council Tax Benefit, the current national scheme, was to be abolished. The Government currently subsidised Council Tax Benefit by around 100%, but from April 2013 this funding would reduce to 90% of the total spend; this would leave a funding gap of around £700,000 to be shared between the Council, Surrey County Council and Surrey Police. Funding for Parish and Town Councils should not be affected by the reduced grant.

The Council could consider meeting this funding gap by reducing support paid to low income claimants, raising further Council Tax through technical changes to empty homes, and savings from other areas.

The report proposed a scheme that would reduce the level of support paid to claimants, but limited the reduction to an extent that should minimise financial hardship. It was considered that all residents should make a contribution of at least 10% towards their Council Tax.

The scheme had been subject to an eight-week public consultation period and the results were set out in Annex 1 to the report.

RECOMMENDED that:

(i) the proposed local Council Tax Support scheme as set out at Annex 2 be adopted with effect from 1st April 2013; and

(ii) a discretionary fund of £20,000 to be held under Section 13A of the Local Government Administration Act be established and the Head of Community Services in consultation with the Portfolio Holder for Housing and Welfare be authorised to approve hardship relief in appropriate cases under the scheme.

Reasons for recommendations:

(i) It would be detrimental to the Council's finances and reputation if it failed to agree a local scheme by 31st January 2013, in which case the government's default scheme would be imposed upon the Council. The default scheme would mean that the funding deficit of £700,000 (10% of estimated annual spend) could not be recovered by any reductions in support, and this would have a significant impact on the finances of the major preceptors (Surrey County Council and Surrey Police). The imposition of the default scheme would likely affect any future plans to set up a local scheme.

(ii) The use of the discretion contained within Section 13A of the Local Government Finance Act is crucial to help those residents who are facing extreme financial hardship and those who may face difficulties in paying an increased Council Tax contribution from 2013. The discretion to reduce a person's liability under this legislation does not only apply to those residents receiving support, but can apply to any Council Tax payer in certain circumstances.

Alternative options: Adopt the default scheme and continue to pay the same level of support; or reduce the support by the full amount of £700,000.

61/-

TECHNICAL CHANGES TO COUNCIL TAX - NEW DISCOUNTS FOR EMPTY PROPERTIES

A report was submitted on proposed technical changes to Council Tax and, in particular, new discounts that from 1st April 2013 could be applied to empty properties.

The changes emanated from new powers giving billing authorities powers to:

- levy up full Council Tax on second homes;
- replace Class A exemptions (empty and uninhabitable properties) and Class C exemptions (empty and unfurnished properties) with discounts, the amount of which was for billing authorities to determine;
- abolish Class L exemptions (where the property had been repossessed), and making mortgagees in possession of empty dwellings liable to Council Tax in respect of them;
- levy an 'empty homes premium' in respect of dwellings which had been left empty for two years or more.

The report set out relevant statutory powers, issues for the Executive to consider (local discounts and empty properties) legal, financial and equalities implications, risk management considerations, consultation undertaken and policy framework factors.

It was noted that the recommendations would raise additional Council Tax in 2013/14 of up to £1m apportioned to Surrey County Council (£743,000), Reigate and Banstead Borough Council (£125,000) and Surrey Police (£132,000).

The report was discussed during which reference was made to risks associated with non-collection of Council Tax and apportioned responsibility for any debts, the assumption that properties would remain vacant, budget estimates on collection and the security provided by reserves, potential problems associated with “paper tenants” and assistance/guidance to landlords through, for example, direct payments and rent deposits. It was suggested that some publicity should be given to the last issue.

RECOMMENDED to adopt the amendments of new local discounts to owners of empty properties and second homes as outlined in annex 1 of the submitted report. These new powers are effective from 1st April 2013, under the Local Government Finance Act 2012

Reason for recommendation: The amendments will achieve an increase in Council Tax that can be collected, which will raise additional revenue for the Council and the preceptors. The amendments will offset the reduction in collection as a result of the changes to localised support for Council Tax. The aim is to encourage landlords, including registered social providers, to achieve better turnaround time for tenants and to bring long-term empty properties back into use in the borough.

Alternative option: None.

65/-

CORE STRATEGY: FURTHER AMENDMENTS

A comprehensive report was considered on a range of further amendments to the Council’s core strategy submission arising from initial feedback from the Planning Inspector and further technical work by the officers.

The report set out relevant statutory powers and issues for the Executive to consider namely context, details of the further amendments (sustainable urban extensions, Green Belt policy, a new policy on sustainable development and other minor changes) sustainability appraisal and Habitats Regulations assessment and timetable. The report also set out legal, financial and equalities implications, risk management considerations, consultation undertaken and policy framework factors.

The report indicated that the Core Strategy was the first document in the updated Reigate and Banstead Local Plan, and provided the overarching strategic policy framework to guide development for the next 15 years (to 2027). In April 2012, the Council had approved the Core Strategy for submission to the Secretary of State. Following initial feedback on the document from the appointed Planning Inspector, and an Exploratory Meeting, the Core Strategy examination process had been suspended for a six month period for additional technical work and public consultation to be undertaken.

As a result of this technical work, a number of amendments to the Core Strategy were now proposed as detailed in Appendix 1 to the submitted report. These amendments included a revised policy identifying broad geographic locations for sustainable urban extensions in the latter stages of the plan, a stronger Green Belt policy and a new policy on the 'presumption in favour of sustainable development'. The monitoring framework and sustainability appraisal had also been updated.

Public consultation on these proposed amendments was now required before they were submitted to the Planning Inspector for the Core Strategy examination to proceed to the public hearings stage. The report also took the opportunity to update delegation arrangements relating to the examination process, and to secure agreement on amendments to the Local Plan documents timetable that result from the six-month Core Strategy examination suspension period.

An addendum to the agenda had been circulated to Members prior to the meeting. This set out the report of the Local Development Framework Scrutiny Review Panel on the Core Strategy: Further Amendments. The report of the Panel included a number of comments that the Executive was being asked to consider – one comment was that the overall approach proposed by the Executive to amend and consult on the Further Amendments was endorsed (by the Panel).

RESOLVED that:

- (i) the Core Strategy: Further Amendments (Appendix 1 to the submitted report) be approved for public consultation, and the Head of Policy, Development and Property, in consultation with the Executive Member for Planning and Development, be authorised to make any necessary minor amendments to the document prior to public consultation and/or submission to the Planning Inspector; and
- (ii) the revised timetable for production of the Local Plan documents (Appendix 2 to the report) be approved, and the Local Development Scheme updated accordingly.

RECOMMENDED that:

- (i) the Core Strategy: Further Amendments (Appendix 1 to the submitted report) be approved for submission to the Planning Inspector; and
- (ii) the Head of Policy, Development and Property be authorised, in consultation with the Executive Member for Planning and Development, to suggest any necessary main or minor modifications to the Core Strategy through the examination process to help secure its soundness (pending further public consultation as required).

Reason for decisions and recommendations: To enable consultation on Further Amendments to the Core Strategy and allow progression of the Core Strategy to the hearing stage of the independent examination. To ensure that the examination is able to proceed in a timely manner, and to help secure a sound planning document. Minor amendments to the timetable for the preparation of Local Plan documents are recommended for approval to ensure that up-to-date information can be provided through the Local Development Scheme and on the Council's website.

Alternative options: Suggest additional or different amendments to Core Strategy or do not recommend them for approval. Do not agree the recommended delegation.