

PAPER C

Proposed Council Tax Discounts and Premiums from 1st April 2023

Executive Member(s): Cllr Liz Leyshon – Lead Member for Finance & Human Resources

Local Member(s) and Division: N/A

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1. Summary

- 1.1 The report identifies decisions required and makes recommendations to align the new Council's approach in respect of the discretionary areas within Council Tax legislation. These changes will take effect from 1 April 2023.
- 1.2 These decisions must be taken by Full Council acting in its capacity as a 'Billing Authority'. A report detailing these recommendations will be brought to Full Council on 23rd November 2022. This report outlines the intended policy approach and recommendations.
- 1.3 The Executive are requested to consider the proposed approaches outlined in this report and make recommendations to Full Council for the agreement of an aligned approach for each discretionary area.
- 1.4 These proposals were considered by the Scrutiny for Policies and Place committee on 11 October 2022. A summary of the comments and requests from the Scrutiny committee are included at section 10 below.
- 1.5 The proposals outlined below are forecast to generate an additional £1.835m in Council Tax income for 2023/24 based on current Council Tax data.

2. Background

- 2.1 A large part of the Council Tax legislation is mandatory on all billing authorities within England. Discounts (such as Single Person Discounts), Disregards and Exemptions are set by statute with no discretion allowed. These mandatory Discounts, Disregards and Exemptions are summarised in Appendix B for information.
- 2.2 However, there are an increasing number of areas where each Council may determine the type and levels of charge to be made.
- 2.3 The current main discretionary areas are as follows:
 - (a) Second homes (premises which are no-one's sole or main residence but are furnished);
 - (b) Unoccupied and substantially unfurnished premises;

PAPER C

- (c) Unoccupied and substantially unfurnished premises which require or are undergoing structural repairs; and
- (d) Premiums where premises have been unoccupied and substantially unfurnished for a period exceeding 2 years.

- 2.4 When determining its policy, each billing authority has to decide the level of charge (or discount) by the 31 March prior to the financial year in which it wants to introduce the changes.
- 2.5 For the new Council, there is a requirement to determine the level of any discounts or premiums and a decision is required to be made by full Council under Section 11A & 11B of the Local Government Finance Act 1992.
- 2.6 Once determined, the resolution of the Council will need to be published in a local newspaper(s) within 21 days of the decision.
- 2.7 The existing district councils have adopted broadly similar approaches, although there are some differences which are highlighted in the table below:

	Mendip	Sedgemoor	South Somerset	Somerset West & Taunton
Second Homes Not sole or main residence/Furnished 28-day planning restriction ¹ (Class A)	0% discount	0% discount	0% discount	0% discount
Second Homes Not sole or main residence /Furnished No planning restriction ² (Class B)	0% discount	0% discount	0% discount	0% discount
Class C Unoccupied / substantially unfurnished	100% discount for 6 months	100% discount for 3 months.	100% discount for 3 months.	100% discount for 3 months.
Class D structural repairs (Unoccupied & substantially unfurnished) Maximum 12 months	75% discount for 12 months	100% discount for 12 months	100% discount for 12 months	100% discount for 12 months
Premium Empty 2yr	100% premium	100% premium	100% premium	100% premium
Premium Empty	200% premium	200% premium	200% premium	200% premium

¹ **restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days

² the occupation of which is **not restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year

PAPER C

	Mendip	Sedgemoor	South Somerset	Somerset West & Taunton
5yr				
Premium Empty 10yr	300% premium	300% premium	300% premium	300% premium
Care Leavers (S13A 1C)	100% discount below 25 years old	100% discount below 25 years old	100% discount below 25 years old	100% discount below 26 years old

- 2.8 Until the legislation changed in 2013, mandatory exemptions would have been granted in place of Class C and Class D discounts giving a period of no charge for 6 months and 12 months respectively. It can be seen that, since that time, the majority of the districts have looked to increase charges for the Class C category by reducing the discounts available to a 3 month period.
- 2.9 Likewise, all districts introduced premiums which allow additional charges to be made where premises have been unoccupied for a period of two years or more.
- 2.10 In addition to the changes in discounts and premiums, each of the districts, in conjunction with the County Council's Leaving Care team, have introduced a local discount (under S13A1C of the Local Government Finance Act 1992) for care leavers. This applies a discount of 100% where the care leaver is a liable person for Council Tax. Three of the districts apply this discount to care leavers below the age of 25 and one to care leavers below the age of 26.
- 2.11 Currently the care leavers discount only applies to care leavers who have been in the care of Somerset County Council. Some districts do not provide discount where the care leaver lives with a non-care leaver.
- 2.12 The creation of the new Council requires a decision to be made in relation to the discounts that will be implemented across the whole of the Somerset area.
- 2.13 In the case of second homes and premiums, all districts currently adopt the same approach and so we are already aligned.
- 2.14 In the case of Class C discount, the current Mendip area is slightly more generous (100% discount for 6 months) whilst the other areas have the same level of discount (100%) but for a three month period.
- 2.15 In the case of Class D discount, the current Mendip area is slightly less generous (75% discount for 12 months) whilst the other areas have the same level of discount (100% for 12 months).

3. Decisions required and the options.

- 3.1 The creation of a single unitary Council means that a unified approach is required to ensure equality across all the whole of the Somerset area.

PAPER C

- 3.2 Each of the decisions required are detailed below together with the potential options. Recommendations are made within section 4.

Class A Second Homes – No one’s sole or main residence/furnished - 28-day planning restriction³

- 3.3 Currently none of the districts allow a discount for second homes in this class.
- 3.4 Our discretionary options include:
- (a) The application of 0% discount across the whole of the new Council’s area (no change); or
 - (b) The application of a percentage discount (up to 100%) across the new Council’s area.

Class B Second Homes - No one’s sole or main residence /Furnished - No planning restriction⁴

- 3.5 In all existing districts, 0% discount is applied to this category of chargeable dwellings.
- 3.6 Our discretionary options include:
- (a) The application of 0% discount across the whole of the new Council’s area (no change); or
 - (b) The application of a percentage discount (up to 100%) across the new Council’s area.

Class C Unoccupied / substantially unfurnished

- 3.7 In the case of Class C discounts, the approach taken across the existing districts is similar (100% discount for three months) apart from Mendip which currently grants a discount of 100% for six months.
- 3.8 Our discretionary options include:
- (a) The application of 0% discount across the whole of the new Council’s area; or
 - (b) The application of a single percentage discount (up to 100%) across the new Council area a period of up to six months (the legislative maximum).

Class D structural repairs (Unoccupied & substantially unfurnished) - Maximum 12 months

- 3.9 In the case of Class D discounts, again, the approach taken across the current districts is largely aligned (100% for a twelve month period) with the outlier being Mendip which offers a 75% discount for the twelve month period.
- 3.10 Our discretionary options include:
- (a) The application of 0% discount across the whole of the Council’s area; or
 - (b) The application of a single percentage discount (up to 100%) across the new Council’s area for a 12 month period (the legislative maximum). It should be noted that there is no ability to have varying discounts during the 12 month period;

³ **restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days

⁴ the occupation of which is **not restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year

PAPER C

Premiums

- 3.11 Premiums were introduced by Government in 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term. Initially premiums could only be charged at 50% but legislation has now changed to allow a progressive charge to be made as follows:
- Dwellings left unoccupied and substantially unfurnished for 2 years or more, up to 100%;
 - Dwellings left unoccupied and substantially unfurnished for 5 years or more, up to 200%; and
 - Dwellings left unoccupied and substantially unfurnished for 10 years or more, up to 300%.
- 3.12 All of the districts have introduced premiums and have aligned with the legislative maximums.
- 3.13 A number of options are available for the new Council including:
- (a) To levy the premiums at the maximum level available to the Council (i.e. the current approach);
 - (b) To amend the premiums to another level; or
 - (c) To end the charging of premiums altogether.

Changes in Premiums with effect from 1 April 2024

- 3.14 It should be noted that Government encourages all billing authorities to adopt premiums with a view to encouraging the use of empty properties. In addition, with the recent introduction of the Levelling Up and Regeneration Bill, it is Government's intention to:
- (a) reduce the minimum period for the implementation of a premium for empty premises from two years to one year; and
 - (b) to allow Council's to introduce a premium in respect of second homes (dwellings that are unoccupied but furnished, Class A and B) of up to 100%.
- 3.15 The changes outlined above will, subject to the bill receiving Royal Assent, be effective from 1 April 2024. Any Council wishing to introduce these changes for 1 April 2024 must pass a resolution to that effect and to confirm its requirements by no later than 31 March 2023.

Care Leavers

- 3.16 As mentioned within 2.10, each of the districts provides a local discount for care leavers who meet the local criteria within each district (NB. There are differences in the criteria currently applied across the four districts, as outlined above). Whilst not a national or statutory discount, similar provisions have been applied in the vast majority of English local authorities. This discount (or reduction in liability) is provided under S13A1C of the Local Government Finance Act 1992.
- 3.17 The new Council has basically two options:

PAPER C

- (a) to maintain the current provisions (NB. which will require standardising the qualifying criteria); or
- (b) to remove or amend the current provisions.

Foster Carers & Special Guardians

- 3.18 The Council is keen to promote foster carers and in particular those that have been approved as a foster carer by the Council, who meet the care skills standard and who continue to be registered as a foster carer with the Council.
- 3.19 Nationally and locally there are insufficient foster carers available to look after children in care. In addition, there has been a steady overall reduction in the number of foster carers. Nationally the number of foster carers has reduced by 12% in the last 12 months. In 2021, there was an 11% increase in the number of children in care nationally.
- 3.20 Fosterwiki (a national fostering support organisation) completed a national survey in July 2022, in which 54% of 1,036 carers who took part said they were considering resigning due to the current cost of living crisis and the need to return to full time work to increase their income. In 2021-22, 30% of Somerset foster carers who deregistered did so due to changes in their personal circumstances including no longer having a bedroom for fostering, and 27% due to seeking other employment; these factors are likely exacerbated by reduced disposable income. Providing more financial support to foster carers in relation to exempting them from council tax could support better foster carer recruitment and retention. The Fostering Network's 2021 'state of the nation' survey found that for a significant number of foster carers, better pay would support the retention of them in their fostering role.
- 3.21 In Somerset, there are currently 591 looked after children (as of 19.9.22), 60 more children than the same period last year (11% increase). In contrast, the percentage of active Somerset County Council foster carers has reduced by approximately 12%. Due to insufficient foster carers in the Council and in independent fostering agencies, more Somerset children have moved to high-cost residential provision.
- 3.22 A shortage of in-house fostering provision, means that the Council is funding high cost external residential homes. There are now 99 children in residential care compared to 55 at the same point last year. Many of these children do not need specialist residential care and would be better living with a foster family.
- 3.23 The costs of funding alternative non-fostering arrangements are significant. Adding as few as three new foster carers could save circa £500k, in alternative costs.
- 3.24 Currently none of the existing districts provide any additional Council Tax discounts for this particular group and the new Council is keen to introduce a special discount where all of the relevant criteria are met. The intention is to provide support for Somerset County Council (Somerset Council) registered foster carers, Home & Horizon Foster

PAPER C

Carers and qualifying⁵ Special Guardians where they have their sole or main residence within Somerset and are caring for Somerset children. Full details of the proposed eligibility criteria are included in Section 4 below. Currently this would affect a total of 423 properties.

- 3.25 There is no specific statutory provision for this discount, but it can be introduced using the provisions of S13A1C of the Local Government Finance Act 1992s.

4. Recommendations

- 4.1 Detailed below is the proposed approach to each of the Council Tax discretionary discount areas and premiums outlined above. The Executive are requested to consider the proposed approaches outlined below and make recommendations to Full Council on 23 November 2022.

Class A Second Homes – No one’s sole or main residence/furnished - 28-day planning restriction

- 4.2 It is recommended that the Council adopts a standard 0% discount for all Class A chargeable dwellings from 1 April 2023.
- 4.3 The proposed approach is essentially a continuation of the existing approach currently taken by the four districts and requires no changes to be made.

Class B Second Homes - No one’s sole or main residence /Furnished - No planning restriction

- 4.4 It is recommended that the Council adopts a standard 0% discount for all Class B chargeable dwellings from 1 April 2023.
- 4.5 The proposed approach is essentially a continuation of the existing approach currently taken by the four districts and requires no changes to be made.

Class C Unoccupied / substantially unfurnished

- 4.6 It is recommended that the Council adopts a standard 0% discount for all Class C chargeable dwellings.
- 4.7 This approach proposes removing the discount currently awarded by the existing districts (SDC, SSDC & SWT - 100% for 3 months & Mendip – 100% for 6 months). This will generate additional Council Tax income of approximately £1.3m
- 4.8 However, there are disadvantages to adopting this approach. Essentially this removes any ‘grace’ period where people change addresses and either their old or new property is empty for a period of time. This change will impact on homeowners and tenants (some of whom may be in receipt of benefits and may struggle to pay), private landlords and our own housing service. This will increase administration as we will be issuing bills for small amounts, which may prove more difficult to recover

⁵ Qualifying special guardians are those who meet the criteria for financial assessment and support as set out in the Somerset children’s social care special guardianship support policy
September 2022

PAPER C

resulting in write-offs. It is also likely to involve us in protracted disputes between new and old occupiers and with landlords over precise move dates. In the short term is likely to result in complaints and increased contact from taxpayers.

- 4.9 The proposed change is unlikely to affect Housing Associations, as they are usually registered charities and as such receive exemption for up to 6 months in respect of empty properties under the Class B exemption provisions (see Appendix B).
- 4.10 We currently have approximately 2,476 properties in receipt of Class C exemption out of a total of 262,576 properties, so this represents a small proportion (0.94%) of the overall changeable base. Unfortunately, we do not hold data in respect of these properties in a way that allows us to easily identify and map the specific impacts on private sector landlords, our own housing stock and individual tenants and property owners.

Class D structural repairs (Unoccupied & substantially unfurnished) - Maximum 12 months

- 4.11 It is recommended that the Council adopt a standard 0% discount for all Class D chargeable Dwellings.
- 4.12 This approach proposes removing the discount currently awarded by the existing districts (SDC, SSDC & SWT - 100% for 12 months & Mendip – 75% for 12 months). This will generate additional Council Tax income of approximately £941k
- 4.13 Again, however, there are disadvantages to removing the exemption. This is likely to involve more administration, at least in the short term, as we will receive more complaints and increased contact from taxpayers. In addition, this may result in some Council Taxpayers approaching the Valuation Agency to request their property be removed from Council Tax banding on the basis of its not being habitable.
- 4.14 We currently have approximately 556 properties in receipt of Class D exemption out of a total of 262,576 properties, so, again, this represents a small proportion (0.2%) of the overall changeable base.

Premiums

- 4.15 It is recommended that the Council adopts a standard approach with the new unitary levying the maximum level of premium across the whole of its area i.e.
- Premium Empty 2yr = 100%;
 - Premium Empty 5yr = 200%; and
 - Premium Empty 10yr = 300%.
- 4.16 The proposed approach is essentially a continuation of the existing approach currently taken by the four districts and requires no changes to be made.

Changes in premiums from 1st April 2024.

- 4.17 It is recommended that the changes in premiums, which will be allowed once the Levelling Up and Regeneration Bill is enacted, are noted and that the Council adopts the

PAPER C

new premiums with effect from 1st April 2024, subject to the bill receiving Royal Assent. Specifically:

- Premium Empty – reduce to 1 year & charge a 100% premium; and
- Implement a second homes premium (dwellings that are unoccupied but furnished, Class A and B) of 100%, the maximum allowed.

4.18 This will generate additional Council Tax of approximately £5.85m (based on current Council Tax levels) from 2024/25 onwards.

Hardship

4.19 The approach proposed above to removing discounts for empty properties and maximising our use of premiums for long term empty properties and potentially second homes is intended to ensure that properties are brought into use quickly. However, it is recognised that this approach may have unintended consequences in certain cases and result in financial hardship. Where this is the case or we receive applications for other reasons we recommend that officers are given the discretion, on a case-by-case basis, to discount or exempt individuals from payment using the Section 13A(1)(C) provisions.

4.20 Any applications received under S13A(1)(C) will be treated on their individual merits.

4.21 In all such cases, the Council will require the applicant(s) (where appropriate) to demonstrate and / or undertake the following before submitting an application for a reduction:

- Take reasonable steps to discharge their liability before applying for a reduction;
- Consider, discuss and, where appropriate, enter into alternative payment arrangements;
- Assist the Council to minimise their liability by ensuring that any discounts or reductions appropriate to any property for which they are liable for Council Tax have been applied for;
- Maximise their income though the application for any welfare benefits to which they maybe entitled; and / or
- Make use of an assets, capital or other financial remedy to discharge their liability.

4.22 Applications for a reduction under S13A(1)(C) must be submitting in writing or via the Council's website and must provide evidence of:

- Exceptional financial hardship or exceptional personal circumstance that would merit a reduction in their Council Tax liability; and
- Their income, savings, capital and any other potential financial assistance available to the applicant.

4.23 When considering applications and exercising any discretion under S13A(1)(C), the Council will consider:

PAPER C

- The financial circumstances of individuals (both income and essential expenditure);
- Whether the granting of any reduction is in the best interests of all of the Council Tax payers of Somerset;
- The circumstances giving rise to the debt and the extent to which these were within the control of the applicant; and
- Any other relevant factors to the individual circumstances of the case and the applicant's ability to make payment.

4.24 Awards under these Hardship provisions are only intended to provide temporary, short-term support and consequently will only be made for short periods, as appropriate to individual cases, and for a maximum of up to a single financial year.

4.25 The Section 151 Officer has delegated powers to either authorise or decline claims for a reduction and / or for delegating these powers to senior roles within the Revenues and Benefits service.

Care Leavers

4.26 It is recommended that the new Council continues to provide a 100% discount for care leavers, but aligns to awarding the discount to individuals:

- where they are liable for Council Tax as an occupier in the property for which they are claiming the discount;
- where they are below the age of 25;
- where they are a registered care leaver with Somerset Council or any other relevant local authority within the United Kingdom (and subject to the provision of proof of registration, where required); and
- irrespective of whether they live alone or not.

4.27 The above aligns the age qualification criteria to 'below 25 years old' and extends eligibility to non-Somerset care leavers and, in some of the district areas, extends eligibility to those living with non-care leavers. Consequently there may be a very small increase in cost.

Foster Carers & Special Guardians

4.28 As highlighted in section 3 above, the Council is keen to assist certain foster carers who have been approved by the Council and qualifying⁶ Special Guardians. In view of this, it is recommended that a 50% discount is provided subject to the foster carer or special guardian meeting the following criteria; namely that they:

- are fully approved as a foster carer by the new Council and meet the care skills standard;
- have provided foster care to a child for a total of 26 weeks (182 days) in the previous 12 months from 1 April to 31 March;

⁶ Qualifying special guardians are those who meet the criteria for financial assessment and support as set out in the Somerset children's social care special guardianship support policy
September 2022

PAPER C

- maintain their approval as a foster carer with the Council
- maintain their availability to foster;
- live within the Somerset area;
- claim all relevant benefits and discounts to which they would usually be entitled;
- claim this discount only on the one dwelling which is their main residence; and
- agree to receiving this council tax discount.

4.29 This would be a new discount and would cost approximately £415k per annum (NB. Based on current Council Tax levels and assuming it applied to 423 qualifying properties with an average band D charge). It is proposed to review the impact of these proposals during the 2023/24 financial year.

4.30 In summary, the recommendations made are as follows:

Changes with effect from 1st April 2023	Somerset Council
Second Homes Not sole or main residence/Furnished 28-day planning restriction ⁷ (Class A)	0% discount
Second Homes Not sole or main residence /Furnished No planning restriction ⁸ (Class B)	0% discount
Class C Unoccupied / substantially unfurnished	0% discount
Class D structural repairs (Unoccupied & substantially unfurnished) Maximum 12 months	0% discount
Premium Empty 2yr	100% premium
Premium Empty 5yr	200% premium
Premium Empty 10yr	300% premium
Care Leavers below 25 years old (S13A 1C)	100% discount
Foster Carers (meeting the criteria) (S13A 1C)	50% discount
Changes with effect from 1st April 2024⁹	
Reducing empty home premium	1 year
Second Home premium	100% premium

5. Reasons for recommendations

⁷ restricted by a planning condition preventing occupancy for a continuous period of at least 28 days

⁸ the occupation of which is **not restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year

⁹ Subject to the Levelling Up and Regeneration Bill Receiving Royal Assent
September 2022

PAPER C

- 5.1 The recommendations set out within this report, which change the existing provisions (Class C and Class D) and which would be effective from 1st April 2023 would generate additional income for the Council's Collection Fund of circa £2.25m.
- 5.2 The introduction of the new discount for Foster Carers with effect from 1st April 2023 would cost approximately £415k.
- 5.3 Introducing new premiums and changes to the existing empty homes premiums with effect from 1st April 2024 (and subject to the Levelling Up and Regeneration Bill receiving Royal Assent) will generate additional income in the region of £5.85m.
- 5.4 The benefit of any additional income would also be apportioned across all major preceptors. Additional costs incurred for foster carers would likewise be shared
- 5.5 It should be noted that the existing Districts are already applying a number of the proposed policies, albeit not consistently across the entire Somerset area. The rationale for the recommendations is to:
- (a) incentivise the occupation of empty properties rather than financial gain;
 - (b) to implement a consistent policy approach across the whole of the Somerset area;
 - (c) to continue to support care leavers within Somerset; and
 - (d) to provide assistance to foster carers approved by the Council and special guardians.

6. Links to County Vision, Business Plan and Medium-Term Financial Strategy

- 6.1 The corporate priorities for the new council are emerging but not yet agreed. It is reasonable to assume however, that the new Council will wish to support the provision of sustainable homes as well as protecting the vulnerable, in addition to identifying opportunities to reduce the forecast MTFP budgetary pressures. The proposals within this report delivers against those anticipated aims.
- 6.2 The proposals outlined above seek to incentivise the permanent use of and occupation of properties through removing exemptions for empty properties and maximising the premiums that can be charged on empty properties and, from 1 April 2024, second homes. The proposals ensure the ongoing provision of exemption from Council Tax for care leavers under the age of 25 and introduce a new discount for foster carers and special guardians. In addition these proposals will generate additional income of £1.835m in 2023/24 and a further £5.85m in 2024/25.

7. Financial Implications

- 7.1 The implementation of these recommendations with effect from 1st April 2023 would provide an additional net £1.835m to the Council's tax income (based on existing data). Any additional income will be shared with the major preceptors.
- 7.2 The implementation of further recommendations relating to premiums with effect from 1st April 2024 will generate additional income in the region of £5.85m.

PAPER C

7.3 The table below summarises the net impact on the Council Tax Collection Fund for 2023/24 of the proposed discretionary approach for the Council Tax discount changes outlined above. The figures also include the cost of the proposed new Council Tax Reduction (CTR) scheme to show the overall net financial impact on the Collection Fund of both the CTR scheme in conjunction with the Council Tax discounts. (NB. The recommendations in respect of Council Tax Reduction scheme are covered in detail in a separate report).

7.4 The combined impact on the Collection Fund of the proposed Council Tax discount changes, the new Council Tax Reduction scheme and the reduction in the write-off provision generates net additional income of £1.57m. The benefit of this is split proportionately across the major precepting authorities.

	£000
2021/22 Council Tax Reduction scheme cost as at 31 Mar 2022	£33.241
2021/22 Exceptional Hardship Scheme cost as at 31 Mar 2022	£0.182
TOTAL CTR cost for 2021/22	£33.423
Projected Council Tax Reduction scheme cost for 2023/24	£33.187
Projected Exceptional Hardship scheme cost for 2023/24	£0.500
TOTAL projected CTR cost for 2023/24	£33.687
PROJECTED net additional CTR scheme cost	£0.264
Projected additional income from removing the class C discount	£1.309
Projected additional income from removing the Class D discount	£0.941
Projected additional cost of the Foster Carers discount	£0.415
Net additional INCOME from the Council Tax discount proposals	£1.835
Projected total additional INCOME for the Council Tax Collection Fund	£1.571

Note: The projections for the 2023/24 CTR scheme cost detailed above are based on current financial year Council Tax charges and caseloads as at August 2022. The Council Tax discounts figures have been calculated using data from October 2022.

8. Legal Implications

8.1 Implementation of the recommendations will satisfy the Council's obligations under Section 11A & 11B of the Local Government Finance Act 1992.

PAPER C

- 8.2 In the case of both the provisions for care leavers and foster carers, the new Council's policy under S13A1C of the Local Government Finance Act 1992 will be amended to allow for any recommendations made.

9. Other Implications

Equalities Implications

- 9.1 Consideration has been given to our obligations under the Public Sector Equality Duty in developing the proposed approach to discounts and premiums in the areas where we have discretion. The key areas identified where we can have a positive impact are in relation to care leavers and foster carers. The proposed approach will align the award of exemption from Council Tax to care leavers below the age of 25 where they are resident within the County. Foster carers and qualifying special guardians will receive a 50% discount on their Council Tax to help retain and incentivise people to become foster carers. The proposals have significant benefits for young people leaving care and children requiring foster care.
- 9.2 The other changes proposed relate to discounts and premiums for empty properties and second homes. The level of the discount or premium charged in these instances is, by law, determined by the status of the property. We determine the amounts to be charged or the discounts to be provided. In developing the recommended approach we have considered the protected groups, but realistically, given the fact that the status the property determines the discount or premium applicable, there is little scope to positively impact on the protected groups. There is no indication from the data available that the proposed approach will impact disproportionately on any particular protected group.
- 9.3 An Equalities Impact Assessment has been undertaken and is included at Appendix A.
- 9.4 However, in summary, there are no equalities implications resulting from the proposed approach. All taxpayers where their dwellings meet the requirements of the legislation, will be treated fairly across the whole of the Somerset area.
- 9.5 The changes in relation to care leavers and foster carers will provide additional support to those groups in accordance with the new Council's objectives.

Climate Change implications

- 9.6 None.

Health and Wellbeing Implications

- 9.7 The recommendations and policy are designed to encourage the occupation of empty premises, bring second homes into use for local residents, to continue to support care leavers and to provide additional support to (and encourage) foster carers approved by the Council.

10. Scrutiny comments / recommendations

PAPER C

- 10.1 The recommended options were considered by the Scrutiny for Policies & Place Committee on 11 October 2022.
- 10.2 Scrutiny were broadly supportive of the proposals, although concern was expressed by some Members in relation to the recommendations to remove the exemptions for Class C, unoccupied and unfurnished properties, and Class D, properties undergoing or requiring structural repairs.
- 10.3 Scrutiny also requested that:
- i) Information be provided, if available, regarding the potential number of landlords affected by the removal of the Class C exemption. (NB. Unfortunately we do not hold data in respect of these properties in a way that allows us to easily identify and map the specific impacts on private sector landlords, our own housing stock and individual tenants and property owners); and
 - ii) The qualification criteria for the Care Leavers discount be clearly outlined in the recommendation (NB. The wording above in Section 4 has been adjusted to clearly set out the qualifying criteria. Section 4 also recommends aligning the age qualification criteria to 'below the age of 25', rather than 26 years old. This aligns to the age limit currently applied by three out of the four districts).

11. Background Papers

- 11.1 The [Council Tax Discounts & Premiums](#) report which went to Corporate Scrutiny on 11 October 2022.

Report Sign-Off

		Date completed
Legal Implications	Tom Woodhams	8 Nov 2022
Governance	Scott Wooldridge	7 Nov 2022
Corporate Finance	Jason Vaughan	7 Nov 2022
Customers, Digital and Workforce	Chris Squire	7 Nov 2022
Property	Paula Hewitt / Oliver Woodhams	2 Nov 2022
Procurement	Jason Vaughan	8 Nov 2022
Senior Manager	Jason Vaughan	7 Nov 2022
Commissioning Development	Sunita Mills / Ryszard Rusinek	2 Nov 2022
Executive Member	CLlr Liz Leyshon – Lead Member for Finance & Human Resources	7 Nov 2022
<u>Consulted on report</u>		
Local Member	N/A	

PAPER C

Opposition Spokesperson	Cllr Mandy Chilcott	2 Nov 2022
Scrutiny Chair	Cllr Gwil Wren	2 Nov 2022

APPENDIX A

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

Version	V2.0	Date	8 Nov 2022
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Description of what is being impact assessed

Council Tax Discounts and Premiums to be implemented by Somerset Council with effect from 1st April 2023

Evidence

What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset’s Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

All data used for this assessment has been obtained from the existing District Councils’ Council Tax Base information. Specifically we have mapped the existing policy framework in use across the four districts, which is summarised in the body of the report. In addition, data has been used from the 2021/22 CTB1 returns for each district to identify the financial impact of the proposed changes.

Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?

We have consulted with Childrens Services in the development of the proposals in relation to Care Leavers and Foster Carers. There is no requirement within Council Tax legislation to consult under the current legislation in relation to the proposed changes to the discounts and

PAPER C

premiums relating to empty properties and second homes.

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> Care leavers – the proposals align the approach across Somerset and will ensure that all care leavers below the age of 25 will receive an exemption from Council Tax Foster carers and Special Guardians meeting the criteria will receive additional discounts against their Council Tax to incentivise new foster carers and to help retain existing foster carers. Persons under 18 years old cannot be liable for Council Tax. The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	☐	☒	☒
Disability	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	☐	☒	☐

PAPER C

Gender reassignment	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	☐	☒	☐
Marriage and civil partnership	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	☐	☒	☐
Pregnancy and maternity	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	☐	☒	☐
Race and ethnicity	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	☐	☒	☐
Religion or belief	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	☐	☒	☐

PAPER C

Sex	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<ul style="list-style-type: none"> The applicability of the second home and empty property discounts & premiums proposed in this report are determined by the status of the property. Each of the protected groups has been considered, but realistically there is little scope to use these provisions to positively impact on those groups. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.	<ul style="list-style-type: none"> The recommendations for care leavers and foster carers (meeting the criteria) will have a positive effect on those groups. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Not applicable	Select date			<input checked="" type="checkbox"/>

If negative impacts remain, please provide an explanation below.

Not applicable

Completed by:	Will Walsh & Jenny Collins
Date	8 November 2022

PAPER C

Signed off by:	Richard Sealy
Date	8 November 2022
Equality Lead/Manager sign off date:	8 November 2022 / Tom Rutland
To be reviewed by: (officer name)	Revenues & Benefits Service Manager
Review date:	September 2023

Mandatory Council Tax Disregards, Discounts & Exemptions

Exemption	Percentage	Qualifying criteria
Class B - Charity	100%	An unoccupied dwelling which is owned by a charity.
Class D- In Detention	100%	An unoccupied dwelling which was previously the main resident of a person who is now detained in a prison, a hospital or other place of virtue of an order of the court.
Class E – In a Residential home	100%	An unoccupied dwelling which was previously the sole or main residence of a person whose main residence is in a hospital, residential care home, nursing home and receiving care and treatment.
Class F – Probate	100%	An unoccupied dwelling which has been unoccupied since the death of a person
Class G – Occupation prohibited by law	100%	An unoccupied dwelling where occupation is prohibited by law
Class H – Minister of Religion	100%	An unoccupied dwelling which is available of occupation by a minister of any religion.
Class I – Receiving Care	100%	An unoccupied dwelling which was previously the sole or main residence of a person where their main residence is in another place (not hospital or care home) to receive personal care
Class J – Providing Care	100%	An unoccupied dwelling which was previously the main residence of a person where their main residence is in another place for the purpose of providing personal care.
Class K – Previously occupied by students	100%	An unoccupied dwelling which was last occupied by a person who was a qualifying student
Class L – Mortgagee in possession	100%	An unoccupied dwelling where a mortgagee is in possession under the mortgage
Class M – Hall of Residence	100%	A dwelling provided predominately for the accommodation of students - hall of residences
Class N – Occupied by Students	100%	A dwelling occupied by one or more students
Class O – Armed Forces	100%	A dwelling of which the Secretary of state for defence is the owner – held for the purposes of armed forces
Class P – Visiting forces	100%	Properties occupied by members of visiting forces and their dependants

Class Q – Trustee in Bankruptcy	100%	An unoccupied dwelling in relation to which a person is a qualifying person in their capacity as a trustee in bankruptcy
Class R – Pitch or mooring	100%	A dwelling consisting of a pitch or a mooring which is not occupied by a caravan or a boat.
Class S – occupied by person under 18	100%	A dwelling occupied only by a person/persons aged under 18
Class T – Planning restriction	100%	An unoccupied dwelling which forms part of a single property which includes another dwelling and may not be let out separately from that other dwelling without a breach of planning control
Class U – All occupiers are severe mental impairment	100%	A dwelling occupied only by one or more severely mentally impaired persons
Class V -Diplomat's residence	100%	Properties occupied by diplomats
Class W – self-contained- Annexe	100%	A dwelling which forms part of a single property including at least one dwelling and which is the sole of main residence of a dependant relative of a person who is resident of that other dwelling.

Discount	Percentage	Qualifying criteria
Single person discount	25%	Where there is only one person over the age of 18 resident at a property a single person discount can apply
Severely Mentally Impaired	25%	Where there are two people over the age of 18 resident at the property and one of those persons qualifies as severely mentally impaired a 25% discount can be awarded
Student discount	25%	Where there are two people over the age of 18 resident at the property and one of those persons qualifies as a full-time student a 25% discount can be awarded
Student apprentice discount	25%	Where there are two people over the age of 18 resident at the property and one of those persons qualifies as an apprentice a 25% discount can be awarded
Job related discount	50%	Where a person is required to live in/occupy a dwelling as part of their employment, and where they have another property which is furnished a discount of 50% may be applicable
Person in Detention discount	25%	Where there are two people over the age of 18 resident at the property and one of those persons qualifies as a person in detention (in prison) a 25% discount can be awarded
Carers' discount	25%	Where there are two people over the age of 18 resident at the property and one of those persons qualifies as a full-time carer a 25% discount can be

		awarded
Residential Nursing or Care home	25%	A dwelling where a person is a resident in a nursing and care home. Where all residents are disregarded (nursing home) 2 x 25% discounts can apply.
Annexe discount	50%	Where a person lives in an annexe and where they are a relative of the person who is responsible for paying the Council Tax on the main property.