
COUNCIL TAX DISCOUNT FOR FLOODED PROPERTIES

1 SUMMARY

- 1.1 This report is seeking approval to grant a discretionary Council Tax discount to residents who have had to temporarily move out of their properties as a consequence of flooding caused by the extreme weather conditions that occurred in August 2013.
- 1.2 The process for considering discretionary Council Tax discounts in a crisis scenario is not adequately catered for under the existing Section 13A discretionary Council Tax discount policy. Approval is therefore sought to amend the current policy in order to cater for any crisis scenarios which may occur in the future.

2 INTRODUCTION

- 2.1 Under the terms of Section 13A of the Local Government Finance Act 1992, Councils have the power to consider cases for reducing liability for Council Tax in exceptional circumstances, either for individual cases or classes of cases.
- 2.2 The Council had a Section 13A Policy agreed by the Portfolio Holder for Council Tax Collection, Benefits and Strategic Housing Functions for this purpose in December 2011.
- 2.3 As a result of the extreme weather conditions that hit the District last August, there are currently 34 properties where the residents have been forced to temporarily move out due to being flooded and the subsequent repair work that is required.
- 2.4 These properties have been granted 100% Council Tax discount under the Class D Uninhabitable Properties discount category which, at the time of being granted, could last for up to 12 months.
- 2.5 However, at Council on 22 October 2013, a report was presented that proposed the implementation of a number of technical changes to various Council Tax discounts. This was as a result of new flexibilities given to Councils under the Local Government Finance Act 2012 and it was agreed that the proposed changes to certain existing discounts come into place from 1 April 2014.
- 2.6 Due to these changes, the uninhabitable discount category that has been used to grant 100% Council Tax discount to the flooded properties will only be able to provide 50% discount from 1 April 2014. However, a number of the residents affected by the flooding will not have been able to move back into their properties by this date and it is considered appropriate to look to continue this 100% discount.

- 2.7 As the uninhabitable discount category can only provide 50% discount from 1 April 2014, it is proposed that where any of these properties remain uninhabitable from that time, to apply a further 50% discount under the terms of the Section 13A policy as a 'class of case that are subject to exceptional circumstances'. This continuation would be to extend the initial award of 100% up to a maximum of 12 months from when they moved out of their properties.
- 2.8 As previously mentioned, there are currently 34 properties uninhabitable due to the flooding although it is likely that some of these properties could become re-occupied prior to April and therefore would not require the proposed additional discount.

The cost of any reduction awarded under the Section 13A policy falls solely to the Council as the billing authority and the potential financial impact is detailed in part 5 of this report.

3 PROPOSED AMENDMENTS TO EXISTING SECTION 13A POLICY

- 3.1 Under current policy, Section 13A applications made by individuals for a reduction in their Council Tax liability due to exceptional financial hardship, can be determined by the Head of Community Services, in consultation with the Portfolio Holder for Council Tax Collection, Benefits and Strategic Housing Functions. Where a number of applications are identified by the Head of Community Services as falling within a class of property, these can be grouped for determination by the Executive.
- 3.2 In all cases, it must be demonstrated that all other routes to Council Tax discount or reduction have been exhausted, in addition to a number of other conditions being taken into account.
- 3.3 As a consequence of the circumstances outlined in this report it is proposed that a procedure be introduced to enable the consideration of requests for relief from council taxpayers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable. This could be due to incidents such as fire or flooding where they remain liable to pay the council tax and for which they have no recourse to compensation.
- 3.4 All such requests for relief in a crisis scenario must be made in writing detailing the exact circumstances as to why the relief is required and when the situation is expected to be resolved.
- 3.5 For these applications that are identified as practical by class of property, each application will be considered and determined on a case-by-case basis by the Executive. In arriving at a decision, consideration will be given to any other alternative solutions and whether it is appropriate to offer relief, having taken into account the needs of the local taxpayer as a whole.
- 3.6 If the proposed procedure is agreed the current Section 13A policy will be updated accordingly.

4 RISK IMPLICATIONS

- 4.1 The impact of this one-off scenario could not have been anticipated when Council agreed on 22 October 2013 to adopt a 50% uninhabitable Council Tax discount from 1 April 2014.
- 4.2 If the discretionary Council Tax discount of 50% proposed in this report is not approved it could lead to adverse and negative publicity for the Council.

5 RESOURCE IMPLICATIONS

- 5.1 There are currently 34 properties that could receive the proposed discount if still uninhabitable at 1 April 2014. Based on a Band D rate of £130 per month x 50% discount and if all properties remained empty until the end of August 2014, there could be a maximum cost of £11,050. However, this figure would be reduced by each property that becomes occupied prior to 31 August 2014.

6 RECOMMENDATION

- 6.1 It is proposed that Council **RESOLVES**

- (1) That under the powers of Section 13A of the Local Government Finance Act 1992, the following Council Tax discount be agreed:

Properties that are currently uninhabitable as a result of the flooding that occurred across the District in August 2013, to receive a 50% Council Tax discount from 1 April 2014, in addition to the 50% discount they will be receiving under the Class D uninhabitable discount for a period that extends the current discount to a total period of up to 12 months.

- (2) That the proposed amendments to the existing Section 13A policy be agreed so that any future crisis scenarios are catered for.

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Background Papers:-

None.

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