

NORTH LINCOLNSHIRE COUNCIL

**POLICY AND RESOURCES
CABINET MEMBER**

COUNCIL TAX FLOOD DISCOUNT

1. OBJECT AND KEY POINTS IN THIS REPORT

1.1 To determine if the duration of the local council tax discount granted to those households affected by December 2013 floods be extended.

1.2 The key points are:

1.2.1 Taxpayers whose homes have been flooded and they have either vacated their properties or continue to occupy the habitable portion of their homes whilst repairs are undertaken are currently entitled to 100% local discount for nine months.

1.2.2 An urgent decision is required as the discount period ends on 4 September 2014 and those taxpayers who still qualify will become liable to pay council tax after this date.

2. BACKGROUND INFORMATION

2.1 On the 5 December 2013 a tidal surge event caused extensive flooding to dwellings in part of North Lincolnshire. The Council initially applied the national regulations which govern the operation of the council tax billing process but this did not provide equal support to all those affected by the flooding.

2.2 Council Tax discounts were created from 1 April 2013, under powers granted in section 11a of The Local Government Finance Act 1992, to replace deleted exemptions for dwellings vacated for a short period and those unoccupied and requiring major repairs. Initially, a section 11a discount, 100% for three months followed by 50% for a further nine months was awarded to taxpayers who vacated their dwelling. Also, a 50% allowance was granted under the provisions of The Local Government Act 2000, to taxpayers in partial occupancy.

2.3 The powers under section 13a of The Local Government Act 1992 allow the Council to introduce a local discount for particular circumstances or by category of property. The Council used this power and replaced the section 11a discounts and allowance with a 100% section 13a discount for nine months. The section 11a discount and allowance remain available and come into force for a further three months once the section 13a discount period ends.

2.4 Taxpayers are entitled to the discount if the following criteria is met:

- Flood water entered the property on 5 December 2013; and
- The dwelling is recorded on the council's central flood list; and
- The dwelling is unoccupied, substantially unfurnished and building works are required to make it habitable; or
- Parts of the dwelling are uninhabitable but the taxpayer has chosen to remain in residence, either in the property itself or in a caravan within the same curtilage.

2.5 The council tax discount has been awarded in respect of 198 properties. Most properties are now fully occupied but there remain 50 dwellings still entitled a discount. Of these, 35 properties remain unoccupied and 15 are partly occupied.

3. OPTIONS FOR CONSIDERATION

3.1 The Council has the discretion as to the level and duration of the locally defined section 13a discount.

3.2 Option 1 – Extend the section 13a discount for a further six months, at 100% for the first three months and at 50% from 5 December 2014 to 4 March 2015.

3.3 Option 2 – Award the section 13a discount for a further three months

3.4 Option 3 – Keep to the current scheme, not to extend the section 13a discount and to award the section 11a 50% discount or allowance for the maximum period of three months from 5 September 2014.

4. ANALYSIS OF OPTIONS

4.1 Options 1 and 2 enable further financial support for taxpayers. It is anticipated most of the remaining eligible properties will be fully back in use within the next three months. Option 1 will provide further assistance to taxpayers of the few remaining dwellings.

4.2 Option 3 outlines the current scheme. It may cause financial hardship in a few cases.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

If the decision is to extend the 100% discount for a further three months it is estimated the additional amount awarded will be £15,000, and this can be funded from Government Grant.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 An Integrated Impact Assessment is not required.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 No consultation is required.

7.2 There are no conflicts of interest to declare.

8. RECOMMENDATIONS

8.1 To approve the extension of the council tax discount as out outlined in 3.2 above.

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Background Papers used in the preparation of this report - nil