

## Shaping the Council 2015-16 and beyond: Savings Business Case

<b>Business Case Title</b>	<b>Reduce the Council Tax discount given to empty unfurnished properties.</b>		
<b>Revision No:</b>	<b>1</b>	<b>Date:</b>	<b>10 July 2014</b>
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<b>Business Case Author</b>	(if different to HOS)		

### Section 1: Summary

#### Savings Proposal

Reduce the Council Tax discount given to empty unfurnished properties

#### Strategic rationale

The Council currently gives a 100% discount for three months at an estimated cost of £573k. There are a number of variations in terms of levels of discounts – i.e. 100%, 75%, 50%, 25% or nil – and also whether for three, two or one month, two weeks . Or of course, none at all.

#### Approximate Cost Savings

These depend on the mix of the variables above but, for instance, a 50% reduction for three months would generate an additional £286k. Whereas giving full discount for a one month period to allow average re-let periods etc. would provide an estimated saving of £346k.

#### Timescales

Activity	Timescale
This would need to be agreed in advance of the billing year.	The earliest implementation would be 2015/16

#### Risks /Consequences

There is little non-financial risk in this proposal. The status of Council Tax properties in terms of occupied, non-occupied, single person, etc. changes constantly throughout the year and so the financial estimates from this can only be based on average properties falling into this class over recent years. It could also lead to owners registering a person at the address to attract 25% discount.

A further consequence is that this will also impact on the Council's own properties, namely HRA voids. Further work is being carried out to identify the financial impact on the HRA.

## Mitigation

There are regular reviews of single person discount applications and awards.

## Section 2: Finance, savings and costs

### Financial summary

#### General Fund budget 2014-15

	Staff £000s	Premises / Transport £000s	Supplies/ Services £000s	Direct Payments £000s	Third Party Payments £000s	Total Expenditure Gross £000s	Income £000s	Net Expenditure £000s
2014/15								

#### Staff Related savings

Current number of posts (FTE and headcount)	N/A
Number of posts to be deleted (FTE and headcount)	N/A
Amount of salary saving (inc on-costs)	N/A

#### Non- Staff Related savings

Premises and buildings (inc utilities)	N/A
Transport	N/A
Supplies and services	N/A
Other (please specify)	N/A

#### Third Party Related savings/income

Commissioning/contracts	N/A
Charges to the HRA/DSG/PHG (NB can be negative)	N/A
Increase fees & charges	N/A
Grants/additional funding streams	N/A
Other (please specify)	N/A

#### Benefits – non financial

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#### Costs & Resources to deliver the savings

Direct costs	N/A
Redundancy costs	N/A
Accommodation costs	N/A
Procurement and/or Legal costs	N/A
Other HR costs	N/A
Other (please specify)	N/A

## Section 3: Impact/Consequences of proposal – not covered in financial section

### Impact on Corporate Priorities/objectives/ performance targets/standards

<b>Priority 1. Create a great place for learning and opportunity</b>	
<b>Priority 2. Encourage and promote job creation and economic prosperity</b>	Removing the discount adds a disincentive to leave properties empty thus supporting the Council's priority of bringing properties back into use.
<b>Priority 3. Build pride, responsibility and respect to create safer communities</b>	
<b>Priority 4. Improve health and well-being</b>	
<b>Priority 5. Protect and promote our clean and green environment</b>	
<b>Well-run organisation - financial &amp; governance; staff; customers</b>	

### Impacts on partners

N/A

### Impacts on customers / community and equality/diversity implications

N/A

**Has an EqlA been undertaken?**

**NO**    **Date:**

### Other impacts/implications

Six options are set out at the end of this business case and option one is recommended. If option one is adopted, the gross additional income of £573k will need to be discounted for non-collection and changes to the status of the property and so a net of £400k is estimated.

## Section 4: Risks and Mitigation

### Delivery risks

Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
The agreement of introducing this change is fully within the remit of Council thus the only risk is Council not agreeing to the change.	1	2	2	Consulting with members before the Council are asked for approval.

### Service risks

Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
N/A				

For information on the ratings criteria guide, please see <\\Thurdata01\data\THURROCK\EXCHANGE\ROM>

	4	8	12	16
	3	6	9	12
	2	4	6	8
	1	2	3	4
Likelihood				
				Impact

## Section 5: Assumptions, Dependencies & Exclusions

<b>Timeframes Assumptions/ Dependencies/Exclusions</b>	Any changes to discounts/exemptions must take place at the start of a financial year and will need approval by Council.
<b>Benefits Assumptions/ Dependencies/Exclusions</b>	
<b>Costs Assumptions/ Dependencies/Exclusions</b>	
<b>Other/ General Assumptions/ Dependencies/Exclusions</b>	