



**CORPORATE POLICY &
RESOURCES**

Thursday 7 November 2019

Subject: Locally Defined Discount for Almshouses

Report by:

Executive Director of Resources

Contact Officer:

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Purpose / Summary:

Report for CP&R committee to determine whether the introduction of a locally defined discount of 100%, in respect of unfurnished and unoccupied almshouses, is appropriate.

RECOMMENDATION(S):

Members consider the information in the report and determine whether the introduction of a locally defined discount in respect of almshouses is appropriate.

IMPLICATIONS

Legal:

Financial : FIN/61/20

The cost of any locally defined discount scheme is borne by the billing authority ie: West Lindsey District Council as part of accounting within the Collection Fund.

In 2019/20 there are 12 Almshouses in the district and are all in council tax band A. These are split as below:

Bardney	- 4	
Kingerby	- 3	
Market Rasen	- 4	
Holton le Moor	- 1	Total – 12 properties

The council tax charge for 2019/20 for these Band A properties is:

Bardney	-	£1,217.70
Kingerby	-	£1,181.77
Market Rasen	-	£1,232.89
Holton le Moor	-	£1,164.83

If all 12 properties were to become liable for an unoccupied and unfurnished charge for the full year this would cost this authority:

4 x £1,217.70	=	£4,870.80
3 x £1,181.77	=	£3,545.31
4 x £1,232.89	=	£3,698.67
1 x £1,164.83	=	£1,164.83
Total due	=	£13,279.61

Staffing :

Staff resources would be required to write a policy for locally defined discounts to be brought to Corporate Policy and Resources committee for approval should the outcome of this report be positive.

Staff resources would be required to monitor and maintain the council tax database in respect of all accounts affected if this additional discount was to be adopted.

Equality and Diversity including Human Rights :

None arising from this report.

Data Protection Implications :

None arising from this report.

Climate Related Risks and Opportunities:

None arising from this report.

Section 17 Crime and Disorder Considerations:

None arising from this report.

Health Implications:

None arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

Local Government Finance Act 2003 -

<https://www.legislation.gov.uk/ukpga/2003/26/contents>

The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended - <http://www.legislation.gov.uk/uksi/2003/3011/made>

Local Government Finance Act 2012 -

<http://www.legislation.gov.uk/ukpga/2012/17/section/11>

Risk Assessment :

Charities already receive an exemption from the council tax if they are unoccupied and unfurnished for a period up to 6 months. Trustees of Almshouses already receive this exemption if it is applicable but there is a risk that if the discount is extended beyond the 6 months exemption currently enjoyed the owners will have less incentive to let their properties to those in need.

Currently there are 12 known almshouses on the council tax records but there is a risk that there are more, as yet, unidentified properties which could create more of a financial impact.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

X

No

Executive Summary

This report has been written in response to a motion raised by Councillor J Summers at Full Council on 1 July 2019 in which he was granted Council's approval to bring this matter forward to the Corporate Policy and Resources Committee for consideration of approving the exemption of council tax for Unoccupied and Unfurnished Almshouses.

The Local Government Finance Act 2012 Section 11 introduced changes within it that allowed Local Authorities the flexibility to set local levels of council tax discounts. These are known as locally defined discounts and allows the Council the discretion to reduce the amount of Council Tax payable not covered by particular individual cases or by determining a class of case. This reduction can be for a specific period of time and the liability can be reduced by any amount the Council sees fit. The cost of any discounts that are awarded is borne by the billing authority.

1 Introduction

1.1 Local Government Finance Act 2012

The Local Government Finance Act 2012 Section 11 introduced changes within it that allowed Local Authorities the flexibility to set local levels of council tax discounts. These are known as locally defined discounts and allows the Council the discretion to reduce the amount of Council Tax payable not covered by particular individual cases or by determining a class of case. This reduction can be for a specific period of time and the liability can be reduced by any amount the Council sees fit. The cost of any discounts that are awarded is borne by the billing authority.

1.2 Motion raised by Councillor J Summers

At full Council on 1 July 2019 Councillor J Summers raised a motion and was granted Council's approval to bring this matter forward to the Corporate Policy and Resources Committee for consideration of approving the exemption of council tax for Unoccupied and Unfurnished Almshouses.

The motion:

"Council Tax Exemptions for Empty Almshouses.

What are Alms-houses?

Almshouses are run by local charities. They provide self-contained low cost housing. Mostly for older people who have a low income. Often elderly people with no living relatives and homeless with no income or personal wealth.

Where.

Specifically I am referring to the Bell's Almshouses at Kingerby, which has served the parishes of Osgodby, Kingerby and Claxby since 1675 as their own social housing for those in 'need, suffering hardship or distress". This Registered Charity (229226) has a group of trustees made up of two parish councils, the local vicar and three volunteer co-opted members.

History.

The six original Almshouse fell into disrepair in the 1970's and 1980's. They have since been converted into 3 modern forms of accommodation. The work was fully carried out by local volunteers and as you see in the photograph a beautiful row of cottages in a tranquil setting has been established. The exceptional thing here is local volunteers have provided three one bedroom modern homes with no support or funding from west Lindsey. 3 social houses free to the district. Now fully let under licence not a tenancy to very needy local people. Due to the fact the residents are on licence and not tenants, the trustees do not charge a rent in its legal definition. Currently the licence fee is approximately half a commercial fair rent.

The charitable scheme and the latest set of accounts are available for the council to see.

Mr. Chairman.

Based upon the brief information I have presented tonight, the history and particularly the resurrection of these modest yet prestigious housing assets in West Lindsey.

I am asking for Council's approval to take this matter forward to our Corporate Policy and Resources Committee for consideration of approving the exemption of council tax for Unoccupied and Unfurnished Alms-houses.

I so move.”

2. Almshouses

2.1 What is an Almshouse?

The Almshouse Association Definition of an Almshouse is:

An almshouse is a unit of residential accommodation (usually a house or flat) which belongs to a charity and is provided exclusively to meet the charity's purpose such as but not limited to the relief of financial need or infirmity and is occupied or is available for occupation under a licence by a qualified beneficiary who may be required to contribute a weekly sum towards its maintenance. An almshouse charity is a charity which is established to provide one or more almshouses.

2.2 Number of Almshouses in West Lindsey area to date:

There are currently 12 Almshouses in West Lindsey and these are in the parishes of Bardney – 4, Osgodby (Kingerby) – 3, Market Rasen – 4 and Holton le Moor - 1.

A search of the council tax base was conducted in order to identify the almshouses within West Lindsey. This has its limitations as the Valuation Office does not separately identify almshouses and they do not, and are not, required to be specifically defined as such on the council tax records.

This means that there are no guarantees that the 12 properties identified are the only almshouses within the district and should a policy be adopted there could be more financial implications to the council than those already recognised.

2.3 Cost if Almshouses were to be awarded 100% locally defined discount for one year assuming the current year's council tax charges:

Bardney	4 x £1,217.70	= £ 4,870.80
Kingerby	3 x £1,181.77	= £ 3,545.31
Market Rasen	4 x £1,232.89	= £ 3,698.67
Holton le Moor	1 x £1,164.83	= £ 1,164.83

Total due = £13, 279.61

2.4 Current situation

All 12 Almshouses are currently occupied.

3. Decision Required

When determining any locally defined discounts consideration should be made to ensure:

- the award of any discretionary discount is legal
- the implementation of any such award is administratively and operationally manageable with existing Council resources
- the award is financially sustainable
- the award is precisely and accurately defined to minimise the risk of further individuals or groups making a claim
the award is open to review and can be amended or withdrawn on an annual basis
- in the case of almshouses there are currently 12 known on the council tax records but there is a risk that there are more, as yet, unidentified properties which could create more of a financial impact.

There is currently no policy in relation to the award of locally defined discounts although it was agreed on 3rd June 2014 to award a discount in respect of properties subject to flooding. Therefore if the decision of the committee is positive, it will be necessary to produce a more formal report and policy structure for this committee's approval at a later date.

It would therefore be prudent to prepare a policy for all Locally Defined Discounts detailing separately both flooding and Almshouses if this were to be the case.