#### Appendix 2b

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

Business Case Title	Reduce the Council Tax discount given to empty unfurnished properties.		
Revision No:	1	Date:	10 July 2014
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Critical friend/Exec Bd			
Business Case Author	(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  $\pounds$ 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

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	

Shaping the Council 2015-16 and beyond Savings Business Case

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

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

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

#### Impacts on partners

N/A

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

N/A

Has an EqIA been undertaken?

NO Date:

#### Other impacts/implications

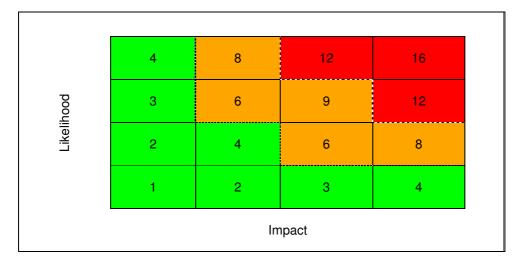
Six options are set out at the end of this business case and option one is recommended. If option one is adopted, the gross additional income of £573k will need to be discounted for non-collection and changes to the status of the property and so a net of £400k is estimated.

# 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 <u>\\Thurdata01\data\THURROCK\EXCHANGE\ROM</u>



## Section 5: Assumptions, Dependencies & Exclusions

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