

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 19 SEPTEMBER 2006

THE COUNCIL TAX (EXEMPT DWELLINGS) (SCOTLAND) AMENDMENT ORDER 2006

Report by the Executive Head of Finance

1 PURPOSE OF REPORT

- 1.1** The purpose of this report is to update Members on the amendment to the Council Tax legislation coming into force on 1 October 2006.

2 BACKGROUND

- 2.1** Currently individuals in receipt of a housing support service who occupy a dwelling with a formal tenancy agreement are placed in the council tax system, whereas those classed as receiving a care home service are entered onto the valuation roll and charged non-domestic rates.
- 2.2** There are certain homes, previously classed as care homes, which are now registered as providing a housing support service to individuals with separate tenancy agreements. These homes are similar to standard sheltered homes, although providing a higher level of support.
- 2.3** An unintended consequence of the changes to the new care legislation in 2001 meant certain people who are in receipt of a housing support service and residing in certain defined shared dwellings were thereafter asked to pay council tax, when previously they had no liability.

3 NEW LEGISLATION

- 3.1** Legislation has now been laid in the Parliament which will exempt relevant properties from local taxation altogether. This comes into force on 1 October 2006.
- 3.2** Properties will be exempt from council tax if
- (i) a resident has a tenancy agreement or license to only occupy part of a dwelling and;
 - (ii) is in receipt of a housing support service and;
 - (iii) they share a kitchen, toilet or bathroom.

4 FINANCIAL IMPLICATIONS

- 4.1** Local Authorities have been asked to write-off any council tax debt due from residents who are affected and to refund any payments to those who have already paid their council tax bills back to April 2001.
- 4.2** Following the write-off/refund, the Executive will provide a specific grant to each local authority to cover the full cost, including water and sewerage charges.
- 4.3** Work has commenced to contact the relevant service providers to highlight any affected individuals, however it is expected that the numbers of those who meet the conditions of the legislation will be less than 50 affected persons.

5 RECOMMENDATIONS

It is recommended that Members

- 5.1** approve the write offs/refunds of Council Tax for those individuals affected by the legislation as indicated at 4.1 above; and
- 5.2** otherwise note the contents of this report.

Alex McPhee
Executive Head of Finance
28 August 2006

LIST OF BACKGROUND PAPERS NIL

Any person wishing further information should contact Alex McPhee Executive Head of Finance (Tel 01563 576300).