



## AGENDA ITEM: 15

### SUMMARY

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>24 June 2014</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Oatridge Gardens: Council Tax Discounts</b>
Contact:	Councillor Nick Tiley, Portfolio Holder for Finance and Resources  Martin Hone, Corporate Director Finance and Operations Chris Baker, Group Manager Revenues Benefits and Fraud
Purpose of report:	To propose a local council tax discount of 100% for residents of Oatridge Gardens affected by the sinkhole.
Recommendations	It is recommended that Cabinet:  Approves a 100% local council tax discount for residents of Oatridge Gardens starting from 15 February 2014, and ending on the date all utility services are reconnected.
Corporate objectives:	This discount will support <b>Building Community Capacity</b> by assisting the residents of Oatridge Gardens during a difficult time.
Implications:  'Value For Money Implications'	<u>Financial</u> The cost of a local council tax discount will need to be met in full from Dacorum Borough Council funds. This is covered in more detail in the body of the report.
Risk Implications	There is a risk of reputational damage if the Council is not seen to be taking action to support these residents.
Equalities Implications	There are no specific equalities implications arising from the report.
Health And Safety Implications	There are no specific health and safety implications arising from the report
Monitoring Officer/S.151 Officer Comments	<b>Deputy Monitoring Officer:</b> No comments to add to the report  <b>Deputy S.151 Officer</b> No further comments.

Consultees:	
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	CTS - Council Tax Support LGFA – Local Government Finance Act

## **BACKGROUND**

1. On 15 February 2014 a large sinkhole appeared in Oatridge Gardens, Hemel Hempstead, and as a result the residents were evacuated.
2. Initial investigations led to 10 of the 48 properties being considered unsafe for the residents to remain living there, although this has now reduced to eight properties. Also, the main gas and electricity supplies for the road pass through the area of instability, and so these were shut off.
3. There is still no gas supply to any property in Oatridge Gardens. The electricity supply has been restored to all but six properties outside the safety cordon.
4. Building Control are visiting the site on a weekly basis, and the latest estimates are that it will be a further 4-6 weeks before the grouting works are completed and the utility companies can consider reconnection.
5. While properties are unoccupied because their occupation is prohibited, they are exempt from council tax under the national regulations.

## **LOCAL COUNCIL TAX DISCOUNT**

6. Under section 13A(1)(c) of the Local Government Finance Act (LGFA) 1992, a billing authority has the power to reduce the council tax for any dwelling as it sees fit.
7. The costs of any such locally decided reduction are borne by the billing authority, ie they are not shared with Herts County Council and the Police Commissioner.
8. Where a household is also entitled to other reduction in their council tax, for example single person discount or council tax support (CTS), these are applied before any reduction under this subsection.
9. Most of the properties in Oatridge Gardens are in council tax band C, with some in band E. Awarding a local council tax discount of 100% for the affected properties would cost the following:
  - £9,900 for the first three months (15 February to 15 May 2014)
  - £3,400 per month for each additional month.

10. The current estimates suggest it will be mid-July before the gas and electricity are fully re-connected. This would lead to a total cost of local discount of £17,700.
11. This cost can be met from the Uninsured Loss Reserve.
12. It is recommended that Cabinet approve the creation of a local council tax discount which will reduce the council tax liability of the residents of Oatridge Gardens to nil, for the period from 15 February 2014 until the date the gas and electricity supplies are reconnected. This discount not to apply in the case of any property which is untenanted and Hightown Praetorian HA are liable to pay the council tax.