

Subject: Council Tax Discounts

Report to: Policy and Resources Committee 27 November 2018
Council 13 December 2018

Report by: Stuart Brabben – Revenues Manager

SUBJECT MATTER/RECOMMENDATIONS

This report asks the Council to approve the levels of Council Tax Discount that shall apply for 2019/20 as set out in the report.

RECOMMENDATIONS:

- 1) To approve the council tax discounts and premiums as shown in Section 5.1 which will apply for 2019/20
- 2) To approve in principal to adopt the discount/premium changes in 2.3 for the future years, subject to recommendations and approvals each year.

1 Council Tax Discounts

- 1.1 Under Section 11A of the Local Government Finance Act 1992 as enacted by Section 75 of the Local Government Act 2003, Section 11B of the Local Government Finance Act 1992, as enacted by Section 11 and Section 12 of the Local Government Finance Act 2012 and in accordance with the provisions of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 and the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 the mechanism for levying council tax discount on unoccupied and empty domestic properties is set out. The regulations allow Councils some discretion in setting the level of council tax charged in respect of these unoccupied properties and second homes.
- 1.2 For the financial year 2019/20 it is proposed that there are two changes to these discounts due to a change in legislation on Long-Term Empty Premiums and a proposal to help Care Leavers.

2 Long Term Empty Property Premium

- 2.1 The Council has discretion to be able to add a premium charge to properties that have been empty over more than two years. This premium was introduced in 2013 as part of the Government's range of measures to bring empty homes into use. Empty homes are wasted assets and are often a blight on the local community, harming the local amenity of neighbouring properties. Therefore, putting empty homes more quickly back into productive use will increase housing supply.

- 2.2 Currently this premium can be up to 50%. However, from 2019/20 new regulations allow this to be increased, which means that the Council will have discretion to increase this to a 100% premium. It is recommended that this increase is approved
- 2.3 The Government has also within the regulations allowed Councils further discretion for future years, that allow for higher premiums. The table below shows this

Financial Year	Premiums for Long-Term Empty Property	Premium Value
2018/19	Properties empty greater than 2 years	50%
2019/20	Properties empty greater than 2 years	100%
2020/21	Properties empty greater than two years but less than 5 years	100%
	Properties empty for more than 5 years	200%
2021/22	Properties empty for greater than two years less than 5 years	100%
	Properties empty for more than 5 years but less than 10 years	200%
	Properties empty for more than 10 years	300%

3 Background - Care Leavers

- 3.1 Billing Authorities are being encouraged to offer a reduction in Council Tax for care leavers as part of efforts to help them avoid getting into debt and give them more time to learn how to manage their finances. This follows the recommendations made in the Government's care leaver's strategy, "Keep on Caring" (July 2016). The Communities and Local Government Select Committee also recommended to Government in their report into homelessness (August 2016) that care leavers should not be required to pay Council Tax until they are 21.
- 3.2 Care leavers often have to start living independently much earlier than their peers taking on more financial responsibilities, when they might be on a low income and without the same family support network.
- 3.3 As a corporate parent, Norfolk County Council has a responsibility to support care leavers whilst they are developing the skills and confidence to live independent lives and learn vital life skills. Great Yarmouth Borough Council has a duty to co-operate and a legal obligation to assist in re-housing/ securing support.
- 3.4 Children and young people who are looked after are amongst the most vulnerable groups in our community. A good corporate parent should have the same aspirations for a child in care or a care leaver as a good parent would have for their own child.
- 3.5 By granting a 100% discount on Council Tax for the first few years of independent living,

the Council would potentially be providing practical help and financial assistance of great value to care leavers at a very vulnerable stage in their transition from care.

4 The Issues

- 4.1 Norfolk County Council has offered to support a local discount for care leavers by contributing 77% of the cost of Council Tax reductions and the Police Authority 13%. This is broadly in line with their Council Tax precept. Great Yarmouth would therefore bear the remaining cost of a full discount (10%), if agreed.
- 4.2 A care leaver discount would be allowed only after the award of any statutory Council Tax discounts (except Council Tax Reduction) e.g. single person discount.
- 4.3 The Children and Social Work Act 2017 comes into force on 1 April 2018. The act places additional responsibilities on local authorities in relation to the welfare of children and young people including care leavers. The act specifies that local authorities with responsibility include District Councils as well as County Councils.
- 4.4 Under the Children (Leaving Care) Act 2000 there is a duty to improve the life chances of young people living in and leaving care, meaning that there must be a plan for these individuals so that they have the support needed to make the transition to a successful adult life.
- 4.5 A care leaver is defined as a person aged 25 or under, who has been looked after by a local authority for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date.
- 4.6 The Act defines the categories of children entitled to leaving care support as:
 - Eligible children are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;
 - Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;
 - Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.
- 4.7 As at December 2017 there were a total of 47 care leavers aged between 18 and 21 living in the Great Yarmouth area. Of those, 34 did not have any Council Tax charge, predominantly because they are living with parents or former foster carers. 13 care leavers had a liability for Council Tax,
- 4.8 The other six Norfolk district councils have been approached by Norfolk County Council and are open to a proposal to implement a care leaver discount. Care leavers represent a very small but extremely vulnerable group of Great Yarmouth residents. This is

particularly the case in the period of transition between leaving care and living independently at age 18 to 21.

- 4.9 S13A of the regulations offers the Council a wide discretion to agree a policy to deliver a local discount.

5 Recommended Council Tax Discounts to be applied for 2019/20

- 5.1 The table below shows the recommended Council Tax discounts to be applied in 2019/20

Discount Class	Equivalent in 2018-19	2019-20
Class C: Properties vacant (unoccupied and unfurnished) for one month or less	100% discount	100% discount
Class C: Properties vacant (unoccupied and unfurnished) for one month and one day or more and up to 2 years	0% discount (full 100% charge)	0% discount (full 100% charge)
Class C: Properties vacant (unoccupied and unfurnished) for 2 years or more	150% charge (50% Empty Property Premium)	200% charge (100% Empty Property Premium)
Class B: Furnished properties and second homes that are no one's main residence	0% discount (Full 100% charge)	0% discount (Full 100% charge)
Class D: Property that is vacant (unoccupied and unfurnished) and (a) it requires or is undergoing major repair work to render it habitable, (b) It is undergoing structural alteration or (c) it has undergone major repair works to render it habitable or structural alteration and less than six	0% discount (full 100% charge)	0% discount (full 100% charge)

months have elapsed since the date on which the work was substantially completed and the dwelling has remained vacant since that date.		
Class A: Properties that fall into Class A of Section 11A of the Local Government Finance Act 1992 and the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 <ul style="list-style-type: none"> - A property that is not the sole or main residence of an individual, - which is furnished, and - the occupation of which is restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in a relevant year 	10% discount	10% discount
Care Leavers Discount	Not Applicable	100% Discount

6. FINANCIAL IMPLICATIONS

6.1 Extra revenue could be generated by this change to Long-Term Empty Premiums, but the main purpose of the increase is to get empty properties back into use

6.2 Cost – Care leavers

6.3 The cost of allowing a care leavers discount under S13A falls directly on the Billing Authority (Great Yarmouth) and therefore its Council Tax payers. However in this case Norfolk County Council has agreed to fund 77% and the Police Authority 13% of the cost.

- 6.4 Based on the current numbers of care leavers living in Great Yarmouth and the gross annual Council Tax charges for this financial year, the cost in Council Tax not collected is estimated to be £11,800.
- 6.5 Norfolk County Council's contribution to the cost in 6.4 would be £9,100 and the Police Authority £1,500, which means that the net cost to Great Yarmouth for delivering this discount would be approximately £1,200 in this financial year. Obviously this is an estimate based on the current charges and current caseload and would vary from year to year.

7 RECOMMENDATIONS

- 7.1 To approve the council tax discounts and premiums as shown in Section 5.1 that will apply for 2019/20
- 7.2 To approve in principal to adopt the discount/premium changes in 2.3 for the future years, subject to recommendations and approvals each year.

8 BACKGROUND PAPERS

Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

Area for consideration	Comment
Monitoring Officer Consultation:	None
Section 151 Officer Consultation:	Section 151 Officer consulted
Existing Council Policies:	
Financial Implications:	As above
Legal Implications (including human rights):	
Risk Implications:	None
Equality Issues/EQIA assessment:	None
Crime & Disorder:	None
Every Child Matters:	None