

Subject: Council Tax Discounts 2020/21

Report to: ELT 13th November 2019
Policy and Resources Committee 26th November 2019
Council 19th December 2019

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 2020/21 as set out in the report

RECOMMENDATIONS:

- 1) To approve the council tax discounts as shown in Section 3.1 which will apply for 2020/21
- 2) To approve in principal to adopt the discount 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 2020/21 it is proposed that there is one change to these discounts following a change in legislation on Long-Term Empty Premiums in 2018.

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 100%. However, from 2020/21 regulations allow a further discretion, which means that the Council can now also increase the premium to 200% for properties that have been empty for more than five years. It is recommended that this increase is approved.

2.3 The Government has also within the regulations allowed Councils further discretion for 2021/22, that allow for a further higher premium. The table below shows this

Financial Year	Premiums for Long-Term Empty Property (Discount Class C)	Premium Value
2021	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 Recommended Council Tax Discounts to be applied for 2020/21

3.1 The table below shows the recommended council tax discounts to be applied in 2020/21

Discount Class	Equivalent in 2019/20	2020/21
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.	200% charge (100% Empty Property Premium)	200% charge (100% Empty Property Premium)
Class C: Properties vacant (unoccupied and unfurnished) for more than 5 years	200% Charge (100% Empty Property Premium)	300% charge (200% 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)

<p>Class D: Property that is vacant (unoccupied and unfurnished) and</p> <p>(a) it requires or is undergoing major repair work to render it habitable,</p> <p>(b) It is undergoing structural alteration or</p> <p>(c) it has undergone major repair works to render it habitable or structural alteration and less than six months have elapsed since the date on which the work was substantially completed and the dwelling has remained vacant since that date.</p>	<p>0% discount (full 100% charge)</p>	<p>0% discount (full 100% charge)</p>
<p>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</p> <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. 	<p>10% discount</p>	<p>10% discount</p>
<p>Care Leavers Discount 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</p>	<p>100% Discount</p>	<p>100% Discount</p>

who was looked after by the local authority at school-leaving age or after that date.		
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4 FINANCIAL IMPLICATIONS

- 4.1 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

5 RECOMMENDATIONS

- 1) To approve the council tax discounts as shown in Section 3.1 that will apply for 2020/21
- 2) To approve in principal to adopt the discount changes in 2.3 for the future years, subject to recommendations and approvals each year.

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):	Yes as outlined in report
Risk Implications:	None
Equality Issues/EQIA assessment:	None
Crime & Disorder:	None
Every Child Matters:	None