

TO: Executive  
12 February 2019

---

## **COUNCIL TAX DISCRETIONARY DISCOUNTS AND EXEMPTIONS**

### **Revenues Services Report**

#### **1 PURPOSE OF REPORT**

- 1.1 To review the Council Tax discounts and exemptions available to applicable properties where billing authorities have been given discretion over some of the reliefs from Council Tax available.
- 1.2 Following consultation the Government has included provisions in the Local Government Finance Act secondary legislation which introduces the changes. The act gave the Secretary of State the power to prescribe additional classes of dwelling for which the billing authority now has the power to create locally defined discounts. The proposals in this paper are in line with the new legislative requirements.

#### **2 RECOMMENDATIONS**

- 2.1 The decision to grant a 0% discount to taxpayers of Class A, B, C and D properties (empty and second homes) to remain unchanged.
- 2.2 That the Council Tax payable for properties which have been unoccupied and substantially unfurnished for a continuous period of over 2 years shall incur a 100% premium (up from 50%), in accordance with the Rating and Council Tax (empty dwellings) Act 2018 from 1 April 2019..

#### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 The recommendations need to be agreed by full Council to enable the setting of the Council Tax budget for 2019/20.

#### **4 SUPPORTING INFORMATION**

- 4.1 Local authorities have discretion over the levels of Council Tax discount available to properties that have been unoccupied for up to 24 months. They can receive a discount of between 0% and 100% for empty second homes, properties undergoing major repair or properties that are unoccupied and substantially unfurnished
- 4.2 Council Tax Class A,B,C and D properties (Long term empties up to 24 months and second homes ) are properties emptied of furniture and effects. The Council tax payer previously benefited from keeping a property empty and unoccupied as they received a discount. The decision to remove all discounts increased the revenues

## Unrestricted

that can be collected whilst balancing the needs of owners of second homes and empty properties.

4.2.1 Class A: second homes where continuous occupancy for 28 days or more is prohibited – 0% discount

4.2.2 Class B: second homes where continuous occupancy for 28 days or more is not prohibited – 0% discount

4.2.3 Class C: properties which are unoccupied and substantially unfurnished – 0% discount

4.2.4 Class D: vacant properties undergoing major repair work or structural alteration – 0%

- 4.3 At the October 2018 Budget, the Chancellor announced the Government's intention to legislate to bring a premium charge of 100% (up from 50%) on properties which have been unoccupied and substantially unfurnished for over 2 years. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 brought in this power with effect from the 2019-20 financial year. Council Tax properties that have been empty and unoccupied for more than 24 months should incur a 100% premium (up from 50%) in accordance with this act. This will increase revenues that can be collected and can discourage Council Tax payers from keeping properties empty.

## 5 **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICES**

### Borough Solicitor

5.1

### Borough Treasurer

5.2

### Equalities Impact Assessment

5.3 Not required

### Strategic Risk Management Issues

5.4 Balancing the budget on an annual basis represents one of the key risks facing the Council. Increasing income from Council Tax helps the underlying budget pressures.

David Evans, Head of Revenue Services – 01344 352098