

## **Council Tax Discount Review**

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### **Purpose of the Report**

1. To request that the District Executive approve an increase to the Empty Home Premium charged on properties that have been empty for 2 years or more, in accordance with the Rating (property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

### **Forward Plan**

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of January 2019. Part of the report relating to Empty Home Premium was deferred for further discussion.

### **Public Interest**

3. This report gives an overview of the changes in the legislation enabling Local Authorities to increase the percentage of Empty Home Premium from 1 April 2019.

### **Recommendations**

4. That the District Executive:
  - a. Approve the increase in the Empty Home Premium on empty properties to the maximum percentage, as detailed in the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

### **Background**

5. Since 1 April 2013 Local Authorities have been able to raise a premium of up to 50% of the annual Council Tax charge, on long term (over 2 years) empty properties, this was to encourage properties which had been sat empty to be brought back into use and also help with the shortage of housing. South Somerset District have been adding a 50% premium to all properties that have been empty over 2 years or more since this date.

### **Empty Home Premium**

6. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 received royal assent on the 1 November 2018. Section 11 B of the Local Government Finance act 1992 (higher amount for long term empty dwellings: England) has been amended as follows:

From 1 April 2019, dwellings that have been empty for more than two years a premium of up to 100% of the charge could be added. (This previously was 50%)

From 1 April 2020, dwellings that have been empty for less than five years a premium of up to 100% of the charge could be added.

From 1 April 2020, dwellings that have been empty for more than five years a premium of up to 200% of the charge could be added.

From the 1 April 2021 dwellings that have been empty for less than five years a premium of up to 100% of the charge could be added.

From the 1 April 2021 dwellings that have been empty for at least five years but less than ten years, a premium of up to 200% of the charge could be added.

From the 1 April 2021 dwellings that have been empty for at least ten years, a premium of up to 300% could be added.

Financial Year	2 – 5 years empty	5 – 10 years empty	10 years or more
1 April 2019	100% premium	100% premium	100% premium
1 April 2020	100% premium	200% premium	200% premium
1 April 2021	100% premium	200% premium	300% premium

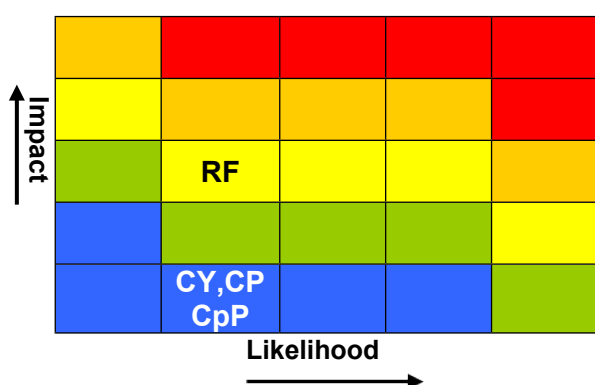
7. Within South Somerset we currently have 196 dwellings that have been empty for two years or more and currently have the Empty Home Premium applied. Of which 26 dwellings have been empty for five years or more and 41 dwellings have been empty for 10 years or more.
8. We do not propose to add any exclusions where the Empty Home Premium would not apply. However, we will continue to work with our specialists in Environmental Health to help enable customers to bring their dwellings back into use.
9. All customers will be advised of the changes to the Empty Home Premium in writing, information will also be available of the Council's website.

## Financial Implications

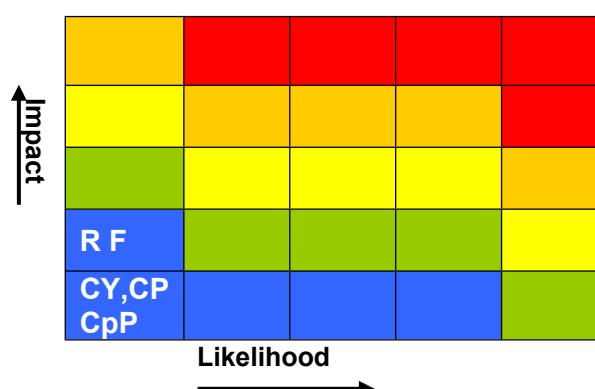
10. Based on the 2018/19 Council Tax charge, the 196 properties that have been empty for two years or more would raise approximately an additional £309,000 in 2019/20. To be accounted for in the collection fund. The proportion South Somerset would receive of this is circa £30,000.

## Risk Matrix

**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



## Key

Categories			Colours <i>(for further detail please refer to Risk management strategy)</i>		
R	=	Reputation	Red	=	High impact and high probability
CpP	=	Corporate Plan Priorities	Orange	=	Major impact and major probability
CP	=	Community Priorities	Yellow	=	Moderate impact and moderate probability
CY	=	Capacity	Green	=	Minor impact and minor probability
F	=	Financial	Blue	=	Insignificant impact and insignificant probability

## Council Plan Implications

11. This recommendation supports the values and aims in Council Plan.

## Carbon Emissions and Climate Change Implications

12. There are none associated with this report.

## Equality and Diversity Implications

13. There are none associated with this report.

## Privacy Impact Assessment

14. There are no privacy risks identified with these proposals.

## Background Papers

15. The following background papers can be viewed on the council website [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)

- Report to District Executive – December 2012 – item 12
  - Report to District Executive – January 2019 – item 11
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