

## Council Tax Policies

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## Purpose of the Report

1. To request that the District Executive approve the new document Policy for Second Homes, Long Term Empty Properties and determining discounts for certain dwellings.
2. To request that the District Executive approve the amendments to the Council Tax S13A (1) (c) Local Government Act 1992 Policy (Discretionary Reduction in Council Tax Liability)

## Forward Plan

3. This report appeared on the District Executive Forward Plan with an anticipated Committee date of February 2022.

## Public Interest

4. This report gives an overview of the proposed introduction of a policy document regarding Second Homes, Long Term Empty Properties and determining discounts for certain dwellings and the proposed changes to the Council Tax S13A (1) (c) Local Government Act 1992 Policy (Discretionary Reduction in Council Tax Liability).

## Recommendations

5. That the District Executive recommend that the Chief Executive:
  - Approve the introduction of a policy document which collates current Council practice in the administration of discounts and premiums for empty properties.
  - Approve the amendments to the S13A (1) (c) Local Government Act 1992 Policy (Discretionary Reduction in Council Tax Liability).

## Background

6. The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts in place of statutory exemptions and also allows for the use of premiums for certain



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long term empty premises. The intention of Central Government is to allow Councils the flexibility in raising additional Council Tax. In addition, Government is keep to ensure that premises do not remain unoccupied or unused for extensive periods and to encourage the maximum use of all available premises within Council areas.

7. The document in appendix 1, does not represent any changes to the current procedures and practices already agreed at South Somerset District Council, but merely formalises our approach by setting these out in a policy document.
8. Under S13A (1) (c) of the Local Government Finance Act 1992 (as amended). The Council has the ability to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine where national discounts and exemptions cannot be applied.
9. The policy in Appendix 2 is divided into three main areas:
  - The Flood Recovery Framework (activated by Central Government as necessary).
  - Care Leavers (discount agreed by this committee in June 2021)
  - Granting of reductions in Council Tax liability in all other circumstances.
10. Agreement is sought to the changes in the policy under point 9c

### **Policy for Second Homes, Long Term Empty Properties and determining discounts for certain dwellings.**

11. This report does not seek to amend any of the discounts previously agreed by South Somerset District Council which can be summarised as follows:
  - Second Homes (Empty but Furnished) - 0% discount
    - i. Where the property is no-ones sole or main residence but is furnished 0% discount.
  - Second Homes – 50% discount
    - i. Where the dwelling is furnished but unoccupied because the owner is liable to Council Tax elsewhere in job-related accommodation.
    - ii. Where the dwelling is furnished but left empty by service personnel resident in accommodation provided by the Ministry of Defence.
    - iii. Where members of the clergy are required to live in accommodation provided by their employer to perform the duties of their office
    - iv. Where the dwelling is a caravan or houseboat.
  - Empty and unfurnished properties – 100% for 3 months only beginning on the first day the chargeable dwelling became empty.



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- Empty dwelling, requiring or undergoing structural alteration or major repair works to make it habitable – 100% discount for 12 months
  - Long Term Empty Properties – 0% discount after initial 3 month discount
    - i. A 100% premium will be charged on properties empty for more than 2 years.
    - ii. A 200% premium will be charged on properties empty for more than 5 years.
    - iii. A 300% premium will be charged on properties empty for more than 10 Years.
12. In accordance with legislation, premiums will not be charged in the case of armed forces accommodation, armed forces job related accommodation or annexes.
13. The policy document in appendix 1 is simply a formalisation of these previously agreed charges to improve transparency with our customers.

### **S13A (1) (c) Local Government Finance Act 1992 Policy (Discretionary Reduction in Liability)**

14. The proposed policy document is in appendix 2. The changes made are to simplify the policy both for the ease of understanding for customers and to ease the administrative burden on officers.
15. The key changes to the policy apply to section 6.0 – ‘Applications for S13A (1) (c) in other cases’. Currently there are three headings under which a customer could apply under this section and they have to make clear in their written application under which of these their application was made. This has caused problems in the administration of the discount as customers often missed this step and applications required further manual intervention by case officers to assist the customer in their application and understanding of the policy.
16. The current headings are consolidated in the new policy document under point 6.0 in order to make the application process more accessible, we will only require a written application from the customer in an appropriate format. It will then be for the officer owning the case to classify and seek relevant approval for any recommendations.
17. During the Covid-19 pandemic, the service delivery case team saw an increase in demand for applications under this scheme. This highlighted the following key issues in the current policy:
- It was too prescriptive and often limited the amount of cases that could be put forward for consideration due to clashes with our administration of the Empty Homes Premium. This risks fettering our discretion as a Council and could leave us open to many challenges to the Valuation Tribunal.
  - It was not easily understood by either case officers or the customers.



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- The application process is very long for the customer from start to finish, needing authorisation from both S151 officer and Portfolio Holder for even the smallest discount to be awarded.
18. This report seeks agreement to change the delegation process for applications under S13A (1) (c) from 1<sup>st</sup> April 2022 (see section 7.0 of the policy):
- All applications relating to exceptional financial hardship will be assessed by officers.
  - The Section 151 officer will have the delegated responsibility to decide on how to administer all other cases.
19. It is proposed that from 1<sup>st</sup> April 2022 where any application is refused, the applicant will be notified that they can ask for the decision to be reviewed within one month of the decision letter. Another officer shall undertake the review and respond within two months and will have regard to any further evidence supplied. If the applicant is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the independent Valuation Tribunal Service to consider their case (See section 9.0 of the policy).

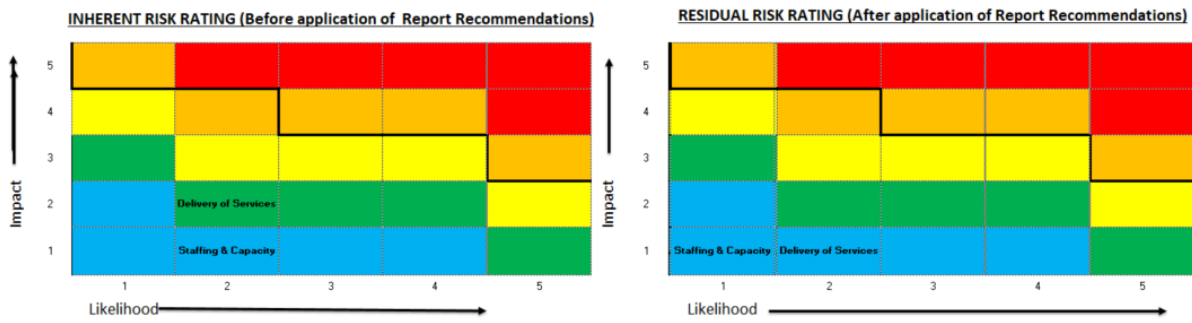
### Financial Implications

20. No further funding is being requested toward either policy, it is anticipated that the current s13a revenues allocation is sufficient. It is important to note that the award of a deserving case cannot by law be declined due to budget constraints. That said, even with the increase in applications due to Covid 19 we have not exceeded the budgeted amount in 2021/22.

### Legal implications (if any) and details of Statutory Powers

21. Local Government Finance Act 1992 [Local Government Finance Act 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1992/20)

### Risk Matrix



Risk Ref	Risk Category	Inherent Risk Rating	Residual Risk Rating
1	Project / programme delivery	0	0
2	Financial	0	0
3	Delivery of Services	3	3
4	Staffing & Capacity	3	1
5	Reputation	3	1
6	Health & Safety	0	0
7	Governance & Legal	3	1

Risk Description	Mediation / Controls
Ongoing procedures, not a project	0
No financial implications	0
High burden of administration creates backlog of work	New s13a policy reduces administrative burden
Staff face challenges on decisions without written policy information available to customers	New documents available to customers on the website
Rules not seen as transparent by customers	New documents available to customers on the website
No Health and Safety Implications	0
Risk of increased appeals to Valuation Tribunal due to wait times	0

## Council Plan Implications

22. Protecting core services – ensuring a modern, efficient and effective council that delivers for its communities.

- Deliver a high quality, effective and timely service to our customers and communities.

## Carbon Emissions and Climate Change Implications

23. None associated with this report.

## Equality and Diversity Implications

<i>An Equality Impact Relevance Check Form has been completed in respect of the Proposal?</i>	<del>Yes / No</del>
<i>The Impact Relevance Check indicated that a full EIA was required?</i>	<del>Yes / No</del>
<i>If an EIA was <b>not</b> required please attach the Impact Relevance Check Form as an Appendix to this report and provide a brief summary of its findings in the comments box below.</i>	
<i>If an EIA <b>was</b> required please attach the completed EIA form as an Appendix to this report and provide a brief summary of the result of your Equality Impact Assessment in the comment box below.</i>	
<b>Additional Comments</b>	



## **Privacy Impact Assessment**

24. No additional privacy impacts associated with this report, Council tax is processed by SSDC staff in accordance with Data Protection and Data Security guidelines.

## **Background Papers**

25. The following background papers can be viewed on the council website
- Report to District Executive – December 2012 – item 8
  - Report to District Executive – January 2019 – item 11
  - Report to District Executive – January 2015 – item 15