

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	6 February 2019
Subject:	Council Tax Discounts 2019/20
Report of:	Head of Corporate Services
Corporate Lead:	Deputy Chief Executive
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	None

Executive Summary:

To provide Members with an update on proposed Council Tax discounts effective from 1 April 2019 and seek approval for their recommendation to Council.

Recommendation:

That it be RECOMMENDED TO COUNCIL that the following discounts be effective from 1 April 2019:

- **The Council Tax discount for unoccupied furnished properties (second homes) is zero.**
- **The discount for unoccupied and substantially unfurnished properties is 100% for a period of one month then 25% for the following 5 months.**
- **The discount for dwellings which are vacant and undergoing major repair work to render them habitable will be 25% for a maximum period of 12 months.**
- **An empty homes premium of an additional 50% is levied on properties that have remained unoccupied and substantially unfurnished for more than two years.**

Reasons for Recommendation:

Before Council Tax discounts are agreed by Council they must be put before the Council's Executive Committee for consideration and adoption. It is also best practice to review Council Tax discounts annually to ensure they reflect any legislative changes.

Resource Implications:

Council tax discounts directly impact on the Council's finances. The impact of the current level of discounts has been built into the Council Tax base which is reduced by the award of discounts. If we continue to award these discounts at the same level as for the 2018/19 financial year this represents £278,768.41 in lost Council Tax income.

Legal Implications:

The Local Government Finance Act 2012 amended the Local Government Finance Act 1992. Section 13A of the Local Government Finance Act 1992 (as amended) requires each billing authority to make a scheme specifying the reductions which are to apply to the amount of council tax payable.

Risk Management Implications:

It may become difficult to collect the increased Council Tax due but all available remedies will be used to mitigate this risk.

Performance Management Follow-up:

The impact of these discounts will be closely monitored and will be reported back to Members as part of a wider review of Council Tax discounts scheduled to take place in Spring/Summer 2019 for implementation in the 2020/21 financial year.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** Members will be aware of the key changes affecting local government finance from 1 April 2013. The Local Government Finance Act 2012 abolished certain exemptions from 1 April 2013 and replaced them with discounts which can be determined locally. The Act also allowed billing authorities to remove the minimum 10% discount on second homes and to charge a premium for long term empty properties.

2.0 BACKGROUND

- 2.1** Local discounts can be granted under Section 13A of the Local Government Act 1992. The Local Government Finance Act 2012 introduced changes in national Council Tax discounts and exemptions. These were considered and adopted by Executive in 2012 and cover the level of discount awarded on second homes and empty properties. These have remained unchanged since 2013/14 with the exception of long-term empty premium which was introduced from 1 April 2018.
- 2.2** Local discounts should be reviewed on an annual basis to make sure they continue to meet the requirements of the legislation. They also have financial implications as they impact directly on the Council's income from Council Tax.

LONG TERM EMPTY PROPERTIES

- 2.3** There are currently 43 properties which have been unoccupied and unfurnished for over two years and are already subject to a 50 percent long term empty homes premium.

- 2.4** The government introduced the Rating (Property in Common Occupation) and Council Tax Empty Dwellings Act 2018 on 1 November 2018. It allows billing authorities to:
- from 1 April 2019, apply a premium of up to an additional 100 percent of the Council Tax due where the dwelling has been empty for at least two years.
 - from 1 April 2020, apply a premium of up to an additional 200 percent of the Council Tax due where the dwelling has been empty for five years and over.
 - from 1 April 2021, apply a premium of an additional 300 percent where the dwelling has been empty for 10 years and over.
- 2.5** As long-term empty homes premium has only been in place since 1 April 2018, it is recommended we continue with the same level of premium for 2019/20 and review the amount we levy in the future as part as a general review of discounts in Spring/Summer 2019 prior to the 2020/21 budget setting process.
- 2.6** With regard to other Council Tax discounts it is recommended that they remain as is for 2019/20. They will be reviewed in the early part of the 2019/20 financial year alongside a review of the Council Tax Reduction Scheme to ensure they continue to be fit for purpose and meet the needs of all residents in the Borough.
- 3.0 OTHER OPTIONS CONSIDERED**
- 3.1** The Council could choose not to approve the recommended level of discounts.
- 4.0 CONSULTATION**
- 4.1** There is no statutory requirement to consult on the level of Council Tax discounts, but if they were to be amended it would be best practice to do so.
- 5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 5.1** None.
- 6.0 RELEVANT GOVERNMENT POLICIES**
- 6.1** None.
- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1** None directly associated with this report other than officer time.
- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1** None.
- 9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 9.1** None.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

Contact Officer: Revenues and Benefits Manager Tel: 01684 272119
Email: geni.hotchkiss@tewkesbury.gov.uk

Appendices: None.