

SUMMARY



Report For:	Cabinet
Date of Meeting:	Cabinet 17 December 2018
Part:	Part 1 - Open

Title of Report:	COUNCIL TAX PREMIUMS
Cabinet Member: Officer Contact: Direct Dial: Email:	Councillor David Watson Andy Green 01494 421001 Andy.green@wycombe.gov.uk
Wards affected:	All
Reason for the Decision:	New legislation – The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 came into force on 1 November 2018. This decision supports the Council’s aim of reducing the number of empty and unused properties
Proposed Recommendation:	That: (i) the Council increases the Long Term Empty Premium charge up to the maximum of an additional 100%; and (ii) It be noted that a 12 month discount for structural alterations can be awarded if a taxpayer can demonstrate that they are actively renovating a property, and no such discount has previously been awarded on that property.
Sustainable Community Strategy/Council Priorities - Implications	Risk: None Equalities: Applies to all owners of long term empty properties Health & Safety: N/A
Monitoring Officer/ S.151 Officer Comments	Monitoring Officer: Legislative provisions are set out within the report. S.151 Officer: Financial implications are included in the report.
Consultees:	There is no statutory requirement to consult
Options:	1. The options open to Members are to:

	<ul style="list-style-type: none"> a. Stop the Premium charge b. Leave the existing Premium charge at the existing level c. Increase the Premium charge up to the maximum of an additional 100%
Next Steps:	Approval by Council
Background Papers:	Held in Finance & Commercial
Abbreviations:	None

Appendices to this report are as follows:

Appendix A Comparison with neighbouring Local Authorities

Appendix B Potential additional Premium income

Detailed Report

Executive Summary

- 1.1 Since 2013 Local Authorities have had discretion to vary the amount of Council Tax charged on long term empty properties, under the Local Government Finance Act 2012 (S11-13). New legislation (The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018) now allows Local Authorities to increase the Premium charge.
- 1.2 Full Council approved the charging mechanism for empty homes from 1st April 2013. Under the local scheme long term empty dwellings are charged at the previous maximum rate – a 50% premium after 2 years.
- 1.3 This report explains the new legislation and gives Members the option to review the amount of Premium charged.

Background and Issues

- 1.4 Previous legislation gives Councils the ability to charge a Council Tax ‘premium’ on long term empty properties that have remained empty for over 2 years. Wycombe DC charges the current maximum premium of 50% (i.e. a 150% charge). There are around 221 dwellings in this category. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, which came into force on 1 November 2018 enacts a local discretion to increase the Premium charge in stages as follows:
 - 1.4.1 From April 2019 the Premium charge can be increased to an extra 100% of the occupied Council Tax
 - 1.4.2 From 1st April 2020 for properties empty between 5 & 10 years the Premium can be increased to 200% of the occupied council tax. Currently 69 properties have been empty between 5 & 10 years
 - 1.4.3 From April 2021 properties empty for more than 10 years the Premium can

be increased to 300% of the occupied Council Tax. Currently 24 properties have been empty for more than 10 years

- 1.5 This report only considers the option described in 1.4.1 above as a decision on future years mentioned in 1.4.2 & 1.4.3 will be a decision for the future Unitary Authority.
- 1.6 The financial benefit to the District Council is minimal. The estimated total Premium yield in 2018/19 is £153,000, of which WDC's share is approximately £12,700. The County Council has the largest financial gain from the Premium charge. The cost of administering the scheme and any changes is borne by WDC.

Conclusions

- 1.7 Taking into account the considerations above, the Council's objectives of bringing empty dwellings back into use, increasing the Premium to the maximum level reinforces the Council's aims.
- 1.8 Local Authorities can allow exceptions to this premium levy and it is recommended that if a taxpayer can demonstrate that they are actively renovating a property, and has not previously been awarded an empty discount for properties undergoing structural alterations, a 12 month discount can be awarded.