

Council Tax Review of Locally Defined Discounts and Premia

Appendix

Locally defined discounts and premia	2018/19	Proposal for 2019/20
Prescribed class A and B second homes to include those with planning restrictions.	Nil discount	Nil discount
Prescribed class C vacant, unoccupied and substantially unfurnished properties.	Nil discount	Nil discount
Prescribed class D properties in need of or undergoing major repair.	Nil discount	Nil discount
Empty homes premium (properties that have been vacant for more than 2 years)	50%	100%

Prescribed classes A and B relates to unoccupied, furnished properties, i.e. second homes. At its meeting on the 5 December 2017 Cabinet resolved that for 2018/19 financial year a zero discount shall apply. It is proposed to continue to set a zero discount for 2019/20, as the Council does not accept that there is a valid reason for treating second homes more favourably than first homes.

Prescribed class C relates to unfurnished properties. At its meeting on 5 December 2017 Cabinet resolved that for the 2018/19 financial year a zero discount shall apply for unoccupied and unfurnished properties. It is proposed to continue to set a zero discount for the 2019/20 financial year, as local authority services continue to be provided. This will also encourage owners to keep valuable housing stock in use by bringing them back into full occupancy as swiftly as possible.

Prescribed class D relates to properties in need of or underdoing major repair works to render the property habitable or undergoing structural alterations, or less than six months has elapsed since the completion of such works. On the 5 December 2017 Cabinet resolved that for 2018/19 financial year a zero discount shall apply. It is proposed to continue to set a zero discount for the 2019/20 financial year. This will encourage owners to bring properties back into the available housing stock as quickly as possible by refurbishing properties in need of major repair in a timely manner. In terms of structural alterations the Council does not accept that those property owners who are making this type of alteration should be treated more favourably than other property owners in the district.

In addition to these local discounts, the Local Government Finance Act 2012 gave Councils the power to impose an empty homes premium on properties that have been vacant for more than 2 years. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill 2017-19 will give the power to increase the empty homes premium to 100% dependent upon Bill being passed by Parliament.

At its meeting on the 5 December 2017 Cabinet resolved that for 2018/19 financial year a 50% empty homes premium be charged. It is proposed to increase the empty homes premium from 50% to 100% for the financial year 2019/20. Bringing empty properties back into use forms part of the Council's housing strategy and the extra cost of an empty homes premium may encourage owners of long term empty properties to bring them back into use.