

Chichester District Council

CABINET

4 October 2022

Council Tax Review of Locally Defined Discounts and Premiums

1. Contacts

Report Author:

Paul Jobson, Revenues and Debt Recovery Manager

Tel: 01243 534501

E-mail: pjobson@chichester.gov.uk

Cabinet Member:

Peter Wilding, Cabinet Member for Finance, Corporate Services, Revenues and Benefits

Tel: 01428 707324

E-mail: pwilding@chichester.gov.uk

2. Recommendation

- 2.1. That the Council Tax Discounts and Premiums proposed in the Appendix to the agenda report be applied for the 2023-2024 financial year.

3. Background

- 3.1. The Local Government Finance Act (LGFA) 1992, as amended by the LGFA 2003 and LGFA 2012, requires the authority to set a taxbase between 1 December 2022 and 31 January 2023. The 2023-2024 tax base report will be prepared for Cabinet's consideration on 6 December 2022.
- 3.2. The level of locally defined discounts and empty homes premium impacts on the calculation of the taxbase.
- 3.3. The Local Government Finance Act 2003 provided devolved powers for billing authorities to make decisions on the level of council tax discount which can be applied to certain dwellings. These dwellings must be placed in a prescribed class.
- 3.4. The current prescribed classes are shown below

Prescribed class A	Not a main residence, which is furnished, and occupancy is restricted by a planning condition.
Prescribed class B	Not a main residence but remains furnished.
Prescribed class C	Unoccupied and unfurnished. (Vacant)
Prescribed class D	Requires or is undergoing major repair works or is underdoing structural alteration.

- 3.5. Billing authorities have the power to increase the amount of council tax charged on properties which have been unoccupied and substantially unfurnished for over 2 years. This is known as the 'empty home premium'.

- 3.6. At the November 2017 budget, the Chancellor announced the Government's intention to legislate to increase the maximum level of empty home premium billing authorities could charge. The Rating (Property in Common Occupation) and Council Tax (Empty Dwelling) Act 2018 brought in this power with effect from the 2019-20 financial year. The maximum charges are set out below:

Maximum level of Premium		Length of time a property must be empty	Effective date Premium can be charged from.
100%		2 - 5 years	1.4.2019
200%		5 - 10 years	1.4.2020
300%		More than 10 years	1.4.2021

- 3.7. At its meeting on 5 October 2021 the Cabinet resolved that for 2022-2023 financial year a 100% premium shall apply for properties that have been unfurnished and unoccupied for more than two years but less than 5 years, a 200% premium shall apply for properties empty for over 5 years, but less than 10 years and a 300% premium shall apply for properties empty for over 10 years.

4. Outcomes to be achieved

- 4.1. The approval of the recommendations in this report will provide certainty in respect of the locally defined discounts and empty homes premium when preparing the council tax base for the 2023-2024 financial year.

5. Proposal

- 5.1. To continue to encourage owners to bring their properties back into use as soon as possible with the empty homes premium for properties that have been empty for between 2 and 5 years be set at 100% for the 2023-2024 financial year.
- 5.2. To continue to encourage owners to bring their properties back into use, the empty homes premium for properties that have been empty for more than 5 years but less than 10 years be set at 200% for the 2023-2024 financial year.
- 5.3. To continue to encourage owners to bring their properties back into use, the empty homes premium for properties that have been empty for more than 10 years be set at 300% for the 2023-2024 financial year.
- 5.4. That the locally defined discounts proposed in appendix 1 be applied for the 2023-2024 financial year. It is proposed to not to change the level of any local discounts.

6. Alternatives that have been considered

- 6.1. To reduce the empty homes premium to 100% for all properties over 2 years. This option would not encourage current owners of properties that have been empty for over 5 years to bring their property back into use. There would also be a cost to this in terms of revenue lost to the Council and the precepting authorities.

- 6.2. Reduce the empty homes premium to between 0% and 99%. This option does not encourage owners to bring their empty homes back into use. There would also be a cost to this in terms of revenue lost to the Council and the precepting authorities.

7. Resource and legal implications

- 7.1. Finance: Maintaining the empty homes premium at current levels will continue to generate additional Council Tax income of £25,000 for Chichester District Council.
- 7.2. Maintaining the current levels of empty homes premium will cause no additional resource or legal implications.

8. Consultation

- 8.1. No specific consultation has been undertaken on the proposals in this report. However, a review of the council tax discounts, and empty homes premium was considered by the Overview and Scrutiny Committee on 18 September 2018.
- 8.2. The Director of Housing and Communities and the Cabinet member for Revenues and Benefits have been consulted on the level of discounts and premium for the 2023-2024 financial year and they are happy with the proposals.

9. Community impact and corporate risks

- 9.1. Since April 2013 there has been a reduction in tax base resulting from implementation of the local council tax reduction scheme. The income generated from locally defined discounts has helped to off-set this loss.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change and Biodiversity		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
General Data Protection Regulations (GDPR)		X
Health and Wellbeing		X
Other (please specify)		X

11. Appendices

- 11.1 Summary of locally defined discounts and premium.

12. Background papers

- 12.1. None