

Council Tax review of locally defined discounts and premia

Appendix 1

Locally defined discounts and premia	2015/16	Proposal for 2016/17
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 to include properties that would previously have qualified for Class C exemption (vacant, unoccupied and substantially unfurnished properties up to a maximum of 6 months).	Nil discount	Nil discount
Prescribed class D properties that would previously have qualified for a Class A exemption (properties in need of or undergoing major repair).	100% discount for up to 12 months	100% discount for up to 12 months
Empty homes premium (properties that have been vacant for more than 2 years)	50%	50%

Prescribed classes A and B relate to unoccupied, furnished properties, i.e. second homes. The discount was reduced from 10% to nil for 2013/14. It is proposed to set the discount to nil for 2016/17 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, which have been unoccupied for more than six months for which the discount may be between 50% and nil. Since 2004/5 the Council has set the discount for these long term empty properties at nil and it is proposed to continue this. The old Class C exemption included vacant (unoccupied and substantially unfurnished) properties up to a maximum of 6 months which now fall into Prescribed class C and at its meeting on 4 December 2014 the Cabinet resolved that for the 2015/16 financial year a zero discount shall apply for unoccupied and unfurnished properties. It is proposed to set a discount of nil for the 2016/17 financial year, meaning full council tax will be payable, since local authority services continue to be provided and in order that owners are encouraged 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 undergoing major repair to render them habitable or which were undergoing structural alterations, or less than six months had elapsed since the completion of such works. It is proposed to continue this 100% local discount for the 2016/17 financial year in order to encourage owners to bring properties back into the available housing stock by refurbishing properties in need of major work or repair.

In addition to these local discounts, the 2012 Act gave Councils the power to impose an Empty Homes Premium on properties that have been vacant for more than 2 years. It is proposed to continue to charge a premium of 50% for the financial year 2016/17. Bringing empty properties back into use forms part of the Council's 2013-18 Housing Strategy and the extra cost of an empty homes premium may encourage owners of long term empty properties to bring them back into