

FULL COUNCIL REPORT

Date Written	23rd February 2015
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Service Area	Revenue
Exempt/Non Exempt	Non exempt
Committee Date	25th March 2015

To: Mayor, Ladies and Gentlemen

DISCOUNTS FOR LONG TERM UNOCCUPIED PROPERTIES 2015/16

PURPOSE OF THE REPORT:

To seek approval from Council on secondary legislation which allows Councils to vary Council Tax discounts on long-term vacant dwellings.

1.0 INTRODUCTION AND BACKGROUND

DISCOUNTS ON LONG TERM VACANT DWELLINGS

- 1.1 Historically, Local Authorities have had no choice other than to apply a 50% discount in respect of long-term vacant dwellings. A long-term vacant dwelling is an unoccupied, substantially unfurnished dwelling that is not exempt according to the list of exempt classes at Appendix A. Vacant dwellings are generally exempt for the initial six-month period (or twelve months in respect of those dwellings that are additionally uninhabitable), regardless of any interim ownership change.
- 1.2 In February 2004, secondary legislation was introduced which permitted Local Authorities to vary the discount anywhere between 50% and 0%. The discount must apply to all such dwellings during the course of a financial year and cannot be incremented, although it could be varied between electoral divisions. A resolution must be made prior to each new financial year as to the policy in this regard.

2.0 UNOCCUPIED AND FURNISHED DWELLINGS

- 2.1 Similarly, in respect of dwellings that are unoccupied, furnished and not exempt from Council Tax, such as second and holiday homes, (Appendix B – classes A & B). Council must make an annual resolution as to what discount from Council Tax (on a sliding scale between 50% and 0%) should apply in these cases. The resolution must apply to all such dwellings and all areas of the Authority for the given financial year. This Authority and the former Borough Council has consistently resolved since the commencement of Council Tax in 1993 that no discount be applied in these cases.
- 2.2 On April 1st 2010, the Welsh Assembly Government also introduced legislation to allow a 50% discount on those properties owned by Armed Forces personnel, who currently live in accommodation provided by the Ministry of Defence. There are presently three qualifying properties within the Authority.

3.0 IMPACT OF HOUSING (WALES) ACT

- 3.1 The Housing Wales Act gives Local Authorities the powers to charge up to an additional 100% council tax premium on long term empty properties and second homes/holiday homes.
- 3.2 The council tax element of the legislation which comes into effect in April 2017, provides an opportunity for Local Authorities to tackle the problem of empty homes, helping to reduce the number of long term empty properties and increase housing supply.
- 3.3 Unlike the current position, the extra income generated by charging and collecting these premiums will be retained by Local Authorities and will not be offset against a similar reduction in Revenue Support Grant. Although this funding cannot be 'ring fenced', it is expected by Welsh Government that it would be channelled into addressing the Authorities need for additional affordable housing.
- 3.4 There is a requirement to give affected council tax payers 12 months notice of any proposed changes, which may only be introduced from the start of a financial year. As stated in 3.2, the earliest date to implement any increase in premium is April 2017. Consequently, a further report will be submitted to Council for consideration during financial year 2015/16.

4.0 FINANCIAL IMPLICATION(S)

- 4.1 The Council's grant settlement from Welsh Government is based on the continuation of the current policy for financial year 2015/16.

5.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

- 5.1 The Single Integrated Plan & Sustainability Impact Assessment has been completed

and the proposals do not significantly impact on any aspects of the Corporate Plan and Single Integrated Plan.

6.0 EQUALITY IMPACT ASSESSMENT

- 6.1 An Equalities Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time. The screening form can be accessed on the Council's website/intranet via the Equality Impact Assessment link.

7.0 RECOMMENDATION(S) that

- 7.1 The current 50% discount be retained in the 2015/2016 financial year in respect of long-term vacant dwellings as defined in class C of Section 12 of the Local Government Finance Act 1992 as amended (see Appendix B).
- 7.2 No discount be applied in respect of unoccupied and furnished dwellings as defined by classes A & B of Section 12 of the Local Government Finance Act 1992, as amended (see Appendix B).
- 7.3 The future impact of the Housing Wales Act be noted.

ELLIS COOPER
CORPORATE DIRECTOR OF CUSTOMER SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Equalities Impact Screening form	23 rd February 2015	Electronic Library
Single Integrated Plan & Sustainability Impact Assessment	23 rd February 2015	Electronic Library

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.

COUNCIL TAX EXEMPT CLASSES

- Class A** A dwelling that is unoccupied, substantially unfurnished, and requires or is undergoing major repair in order to render it habitable and for up to six months following the substantial completion of repairs. Effective from 1st April 2000, this form of exemption cannot exceed one year.
- Class B** An unoccupied dwelling owned by a charity; maximum period, six months.
- Class C** A dwelling that is unoccupied and substantially unfurnished; maximum period, six months.
- Class D** An unoccupied dwelling where the liable person and last occupier is detained (prisoner).
- Class E** An unoccupied dwelling where the liable person and last occupier have their main address in a hospital or Residential/Care/Nursing Home.
- Class F** An unoccupied dwelling which falls within the estate of a deceased person for up to six months following the issue of the Grant of Probate or Grant of Letters of Administration.
- Class G** A dwelling that is prohibited from occupation by law.
- Class H** An unoccupied dwelling awaiting occupation by a minister of religion.
- Class I** An unoccupied dwelling where the liable person and last occupier is living at another address in order to receive personal care from the other occupier(s) there.
- Class J** An unoccupied dwelling where the liable person and last occupier is living at another address in order to provide personal care to the other occupier(s) there.
- Class K** An unoccupied dwelling where the liable person and last occupier is a full-time student.
- Class L** An unoccupied dwelling where a mortgagee is in possession.
- Class M** Student halls of residence.
- Class N** A dwelling that is occupied solely by students.
- Class O** A dwelling owned by the Ministry of Defence and held for armed forces.
- Class P** A dwelling where a liable person is a member of a visiting force.
- Class Q** An unoccupied dwelling owned by a bankrupt.

- Class R** An unoccupied caravan pitch or boat mooring.
- Class S** An occupied dwelling where no occupier has attained the age of 18.
- Class T** Unoccupied annexes which may not be let separately from that other dwelling without breaching planning control.
- Class U** A dwelling that is occupied solely by a person or persons who is or are severely mentally impaired.
- Class V** Diplomats
- Class W** Annexes occupied by a dependant relative of the occupier(s) of the main dwelling

Please note: This list is intended as a guide only and should not be construed as being the legal definition of any class. Any clarification should be made directly with the Council's Council Tax Department.

**PRESCRIBED CLASSES OF UNOCCUPIED DWELLINGS FOR
SECTION 12 of the LOCAL GOVERNMENT FINANCE ACT 1992**

CLASS A – A dwelling in Wales:

which is not the sole or main residence of an individual;
which is furnished; and
the occupation of which is prohibited by law for a continuous period of at least 28 days in the relevant year.

CLASS B – A dwelling in Wales:

which is not the sole or main residence of an individual;
which is furnished; and
the occupation of which is not prohibited by law for a continuous period of at least 28 days in the relevant year.

CLASS C – a dwelling in Wales:

which is not the sole or main residence of an individual; and
which is substantially unfurnished.

Please note:

None of the above classes can apply in respect of pitches occupied by caravans or moorings occupied by boats, job-related or exempt dwellings.