

# EXECUTIVE BOARD

## 21<sup>ST</sup> MARCH 2016

### COUNCIL TAX PREMIUMS

#### Purpose:

To make Executive Board members aware of the new powers being afforded to local authorities to increase the level of Council Tax payable in respect of long term empty dwellings and second / holiday homes.

#### RECOMMENDATIONS / KEY DECISIONS REQUIRED:

It is recommended that the enclosed report be noted, and that the Council undertakes a public consultation exercise and equality impact assessment prior to determining its policy with regard to Council Tax premiums

#### REASONS:

Any final determination with regard to the setting of Council Tax premiums must be made by full Council.

Prior to any determination;

1. Authorities must have regard to its statutory duty to carry out equality impact assessments
2. Guidance issued by Welsh ministers strongly recommends that authorities should engage and consultation with key stakeholders, including the general public.

#### Relevant scrutiny committee to be consulted - NA

Exec Board Decision Required YES

Council Decision Required NO (not at this stage)

Directorate: Corporate Services

Executive Board Member:

Cllr David Jenkins

Head of Service:

Report Author:

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# EXECUTIVE SUMMARY

## Executive Board – 21<sup>st</sup> March 2016

### Council Tax Premiums

1. The Housing Act 2014 introduces provisions that, with effect from 1<sup>st</sup> April 2017, allow authorities to apply a Council Tax Premium (or “surcharge”) of up to 100% in respect of:
  - a. long term vacant dwellings, and
  - b. dwellings classed as “second homes”.
2. Long Term Voids
  - a. Long term voids are currently charged 50% of the normal charge
  - b. For the purposes of the premium, a long-term empty dwelling is a dwelling which has been both unoccupied and substantially unfurnished for a continuous period of at least one year.
  - c. However, in determining whether a dwelling has been empty for one year, no account to taken of any period before 1 April 2016. Therefore the premium cannot be applied until 1<sup>st</sup> April 2017.
  - d. For premiums to come into effect from April 2017, a policy decision will need to be taken during 2016/17 after undertaking appropriate impact assessments and consultation if deemed necessary.
  - e. An authority may specify different percentages for different dwellings based on the length of time for which they have been empty.
3. Second Homes
  - a. For Council Tax purposes the term **second home** means a dwelling that is substantially furnished but “*not anyone’s sole or main residence*”. Actual second / holiday homes as well as other dwellings that been left unoccupied but furnished, therefore come under this heading.
  - b. Carmarthenshire has an existing policy of Nil Discount. For “second homes”. The owner is therefore liable to pay the 100% charge
  - c. The new provisions allow authorities to adopt a policy whereby for “second homes” the council tax payable is increased by up to 100% which would mean the liable person would be subject to double the full occupied charge.
4. The attached detailed report provides additional details in relation to the application of premiums

DETAILED REPORT ATTACHED?

Yes

# IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **Chris Moore** Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

## 1. Policy, Crime & Disorder and Equalities

Prior to any determination being made as to whether or not to charge one or both of the premiums, Council must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011 and to all other relevant considerations.

Consideration should also be given to engagement and consultation with key stakeholders, including the local electorate, before taking a decision.

## 2. Legal

Failure to undertake a public consultation in accordance with guidance issued by the Welsh Ministers would place any final determination by Full Council at risk of legal challenge.

## 3. Finance

In the event of a decision being made to apply premiums additional Council Tax revenue would arise, although it would be partly offset by the negative effect on RSG in the case of long term empty dwellings. (No effect on RSG in relation to any second homes premium)

# CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Chris Moore

Director of Corporate Services

## 1. Scrutiny Committee

N/A

## 2. Local Member(s)

N/A

## 3. Community / Town Council

N/A

## 4. Relevant Partners

Consultation undertaken at officer level with colleagues in Housing Options & Advice Team, with views incorporated in the report.

## 5. Staff Side Representatives and other Organisations

N/A

## Section 100D Local Government Act, 1972 – Access to Information List of Background Papers used in the preparation of this report:

### THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
<i>Prelim EB Report - Council Tax Premiums</i>	N/A	<i>Council File Plan – Finance/Local Taxation/Council Tax/ Council Tax Premiums</i>