REPORT TO CABINET

Open		Would any decisions proposed : (a) Be entirely within Cabinet's powers to decide NO (b) Need to be recommendations to Council YES (c) Be partly for recommendations to Council NO and partly within Cabinets powers –			
Any especially affected Wards	Discretionary				
Lead Member: Cllr Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted: All Cabinet members			
		Other Members consulted: - Corporate Performance Panel			
Lead Officer: Jo Stanton E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial:01553 616439		Other Officers consulted: Ray Harding Lorraine Gore			
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equality Impact Assessment YES If YES: Pre-screening/ Full Assessment	Risk Management Implications NO	

Date of meeting: 6 December 2016

COUNCIL TAX DISCOUNTS FOR EMPTY/UNFURNISHED AND UNINHABITABLE PROPERTIES FOR 2017/2018

Summary

The Council has the discretion to reduce or remove discounts for certain properties including empty / unfurnished and uninhabitable properties. This report considers changing the discounts for these properties.

Recommendations

Cabinet recommend to full Council that one of the listed options regarding the discounts for empty / unfurnished and uninhabitable properties be implemented from 1 April 2017.

Reason for Decision

Amending the discounts will encourage owners of empty properties to bring them back into use and reduce the cost of awarding council tax discounts, bringing in extra income.

1 Background

1.1. Since April 2004 the Council has had the power to increase the council tax charge for second homes. Since April 2013 we have had the power to further increase the council tax charge for second homes, and to increase the charge for properties which are unfurnished, uninhabitable or long term empty, and to charge a premium of a maximum additional 50% for properties left empty for more than two years.

1.2. The aim of these powers is to encourage properties back into use and raise additional revenue for areas affected by high numbers of second homes.

1.3. The Council has already made changes and a summary is below:

Class	Start	End	Discount	Council Tax Charge	Time Limit
Second Homes	01/04/1993	31/03/2004	50%	50%	None
	01/04/2004	31/03/2013	10%	90%	None
	01/04/2013	31/03/2016	5%	95%	None
	01/04/2016		0%	100%	None
Empty and Unfurnished properties	01/04/1993	31/03/2013	100%	0%	6 months
	01/04/2013		100%	0%	3 months
Uninhabitable Properties	01/04/1993	31/03/2013	100%	0%	12 months
	01/04/2013		50%	50%	12 months
Long Term Empty Properties	01/04/1993	31/03/2013	50%	50%	None
	01/04/2013		0%	100%	None
Properties Empty over 2 years	01/04/2013		(50%)	150%	After 2 years

1.4 The Council can consider increasing the charge for empty and unfurnished and uninhabitable properties by reducing or removing the discount. The options for changing the discounts are detailed below. These figures are based on data as at 15 September 2016. This is in addition to the extra revenue already generated by the removal of the second home discount from 1 April 2016.

1.5 These changes do not affect any of the existing council tax exemptions for unoccupied properties, including properties where a grant of probate is awaited, and those where the resident has permanently moved into residential care. A full list of the council tax exemptions for unoccupied properties is included at Appendix A.

Option 1

Completely remove both the discounts and charge 100% council tax.

	Empty and Unfurnished	Uninhabitable	Total

Properties Affected	433	83	516
Taxbase Increase @ Band D	352	36	388
Additional Revenue Raised	£551,880	£56,837	£608,716
Norfolk County Council	*£418,563*	*£43,107*	*£461,669*
Police and Crime Commissioner	*£74,848*	*£7,708*	*£82,557*
BCKLWN	**£58,469**	**£6,022**	**£64,656**

Option 2

Reduce the discount on empty and unfurnished properties to a period of one month but do not amend the discount for uninhabitable properties.

	Empty and Unfurnished	**Uninhabitable**	**Total**
Properties Affected	433	83	516
Taxbase Increase @ Band D	352	0	388
Additional Revenue Raised	£367,920	£0	£367,920
Norfolk County Council	£279,042	£0	£279,042
Police and Crime Commissioner	£49,899	£0	£49,899
BCKLWN	**£38,979**	**£0**	**£38,979**

Option 3

Reduce the discount on empty and unfurnished properties to a period of one month and the discount on uninhabitable properties to 25% for 12 months.

	Empty and Unfurnished	**Uninhabitable**	**Total**
Properties Affected	433	83	516
Taxbase Increase @ Band D	352	36	388
Additional Revenue Raised	£367,920	£28,419	£396,339
Norfolk County Council	£279,042	£21,554	£300,596
Police and Crime Commissioner	£49,899	£3,854	£53,753
BCKLWN	**£38,979**	**£3,011**	**£41,990**

1.5 Depending on the chosen option, these changes may affect 516 properties in the Borough where the taxpayer will no longer see a reduction in their bill if their property is empty. The current reduction only applies for a limited time before it is removed and the 100% charge applies, and the changes will remove this initial reduction completely.

1.6 The changes could encourage taxpayers to bring their properties back into use or complete structural works sooner than would be the case if there was a discount available. It would also reduce the cost of council tax discounts, raising extra income to the Borough Council, County Council and the Police and Crime Commissioner.

2. Other Norfolk Authorities – Council Tax Charges and Proposals

2.1 The council tax charges for **2016/2017** for the different classes of property in other Norfolk authorities are shown below.

2016/2017	2nd Homes	Empty and Unfurnished	Uninhabitable	LT Empty	Empty Over 2 years
BCKLWN	**100%**	**0%[1]**	**50%[2]**	**100%**	**150%**
Broadland	100%	100%	100%	100%	150%
Breckland	100%	0%[1]	50%[2]	100%	150%
North Norfolk	95%	0%[1]	50%[2]	100%	150%
Norwich	95%	100%	50%[2]	100%	150%
Great Yarmouth	95%	0%[1]	50%[2]	100%	150%
South Norfolk	95%	0%[1]	50%[2]	100%	150%

2.2 Broadland District Council and Norwich City Council have already removed their discounts for empty / unfurnished and uninhabitable properties.

2.3 South Norfolk District Council are proposing to reduce their discount for empty / unfurnished properties to 100% for one month from 1 April 2017. They are retaining the 12 month 50% discount for uninhabitable properties.

2.4 North Norfolk District Council are completely removing the discounts for empty / unfurnished and uninhabitable properties from 1 April 2017.

2.5 Great Yarmouth Borough Council are proposing to reduce the discount for empty / unfurnished properties to 100% for 1 month, and to abolish the discount for uninhabitable properties from 1 April 2017.

2.6 Breckland District Council are proposing to reduce the discount for empty / unfurnished properties to 100% for one month from 1 April 2017. They are retaining the 12 month 50% discount for uninhabitable properties.

2.7 Neither Norwich City Council or Broadland District are proposing any changes to their current discounts and both have already completely removed the discount for empty / unfurnished properties. Norwich are retaining the 12 month 50% discount for uninhabitable properties and Broadland have already abolished their uninhabitable property discount.

2.8 The proposed council tax charges for **2017/2018** are shown in the table below:

2017/2018	2nd Homes	Empty and Unfurnished	Uninhabitable	LT Empty	Empty Over 2 years
BCKLWN	**100%**	**TBC**	**TBC**	**100%**	**150%**
Broadland	100%	100%	100%	100%	150%
Breckland	100%	100% after 1 month	50%	100%	150%
North Norfolk	95%	100%	100%	100%	150%
Norwich	95%	100%	50%	100%	150%
Great Yarmouth	100%	100% after 1 month	100%	100%	150%

[1] 100% discount for 3 months then the full charge applies
[2] 50% discount for 12 months then the full charge applies

South Norfolk	95%	100% after 1 month	50%	100%	150%

3. Policy Implications

3.1 This would be a change of policy and would require annual approval from full Council. The proposed policy has been debated and recommended by the Corporate Performance Panel.

4. Financial Impact

4.1 As shown in paragraph 1.4, changes to the discounts could raise additional income for the Borough Council the County Council and the Police and Crime Commissioner (depending on chosen option).

4.2 Norfolk County Council has provided £50,000 funding towards the administrative costs of the changes.

5. Discretionary Fund

5.1 A £10,000 fund is available for those who are adversely affected and suffering hardship as a result of the changes. This fund is extended to include any category of taxpayer as the council sees fit, for example, those bringing a long empty property back into use to live in as their own home. Individual applications will be considered by the Portfolio Holder and Ward Member under delegated powers.

6. Equality Impact Assessment (EIA)

6.1 A Pre-Screening Equality Impact assessment is included. A full assessment is not required.

Pre-Screening Equality Impact Assessment

Borough Council of King's Lynn & West Norfolk

Name of policy/service/function	Council Tax Discounts for Empty / Unfurnished and Uninhabitable Properties
Is this a new or existing policy/ service/function?	Update of an existing policy
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	

Question	**Answer**				
1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups **according to their different protected characteristic**, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service? Please tick the relevant box for each group. NB. Equality neutral means no negative impact on any group.		Positive	Negative	Neutral	Unsure
	Age			√	
	Disability			√	
	Gender			√	
	Gender Re-assignment			√	
	Marriage/civil partnership			√	
	Pregnancy & maternity			√	
	Race			√	
	Religion or belief			√	
	Sexual orientation			√	
	Other (eg low income)			√	

Question	**Answer**	**Comments**
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No	
3. Could this policy/service be perceived as impacting on communities differently?	No	
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No	
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	N/A	**Actions:** **None required** **Actions agreed by EWG member:** ……
Assessment completed by:		

Name: Jo Stanton	
Job title: Revenues and Benefits Manager	**12 September 2016**

Appendix A – Council Tax Unoccupied Property Exemptions

Class	Description
B	Unoccupied property owned by a charity
D	Person in detention
E	Person permanently in residential care
F1	Person deceased and property awaiting probate
F2	Period after probate granted (max 6 months)
G	Occupation prohibited by law
H	Held empty for a Minister of Religion
I	Person living elsewhere to receive personal care
J	Person living elsewhere to provide personal care
K	Property left empty by a student
L	Property repossessed
Q	Property left empty by a bankrupt person
R	Unoccupied caravan pitch or boat mooring
T	Unoccupied annexes unable to be let separately