



# Council Tax Technical Changes 2021 to 2022

<b>Report number:</b>	<b>CAB/WS/20/068</b>	
<b>Report to and date(s):</b>	<b>Cabinet</b>	10 November 2020
	<b>Council</b>	15 December 2020
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**Decisions Plan:** The decision made as a result of this report will usually be published within 48 hours. This decision is not subject to call-in, as the decision is being recommended onto Council. This item is included on the Decisions Plan.

**Wards impacted:** All wards

**Recommendation:** It is recommended that, subject to the approval of Council, Cabinet approves the continuation of the West Suffolk Council Tax Technical Changes Scheme, set out in Section 2 of Report No: CAB/WS/20/068, and that the Special Provision Discounts and Premiums continue to apply until such time as any amendments are made.

## 1. Context to this report

- 1.1 Since April 2013, Councils have the discretion to charge up to 100% for some previously exempt properties, to charge up to 100% in respect of furnished empty properties (usually referred to as holiday homes), to charge up to 100% in respect of second homes and to charge up to 50% (100% from April 2019) empty homes premium for properties that had been empty for over 2 years. These discretions, which are provided under sections 11a and 11b of the Local Government Finance Act 1992, are described in this and previous council reports as the 'Council Tax Technical Changes'.
- 1.2 In offering these new powers Government was seeking to influence owners to bring empty homes back in to use as well as the ability for councils to increase council tax income.
- 1.3 This report provides an overview of the current Council Tax technical changes for continuation from April 2021.

## 2. Proposals within this report

- 2.1 The following table sets out the current scheme for West Suffolk Council, for continuation from April 2021.

<b>West Suffolk Scheme</b>	
Empty, substantially unfurnished	100 per cent discount for 1 week (fluctuates between 45 to 65 per week)
Empty, unfurnished and undergoing major repairs to render habitable	10 per cent discount for 12 months (27 currently)
Second homes	0 per cent discount (522 currently)
Empty homes premium – property empty for 2 years but less than 5 years (from April 2019)	100 per cent premium - overall council tax charge 200 per cent (135 currently)
Empty homes premium – property empty for 5 years but less than 10 years (from April 2020)	200 per cent premium - overall council tax charge 300 per cent (45 currently)
Empty homes premium – property empty for 10 years or more (from April 2021)	300 per cent premium - overall council tax charge 400 per cent (25 currently)

- 2.2 Properties that fall into the following categories do not attract the empty homes premium:

- A property which is purchased through land registry at market value and where the new owners are unable to reside in the property due to its condition, where evidence of this situation by the new owners is produced – the premium will be waived for a maximum of 12 months from the date of purchase before reverting back to the appropriate level of premium prior to the waiver period.
- Where a property is actively being marketed for sale at market value the premium will be waived for a maximum of 24 months.
- Where a property has been inherited and the new owners are unable to reside in the property due to its condition, where evidence of this situation by the new owners is produced – the premium will be waived for a maximum of 12 months from the date of ownership before reverting back to the appropriate level of premium prior to the waiver period.
- Properties that are empty because of specific circumstances such as the owner being in care, prison or being the executor of an estate where probate has been granted (time limited).

### **3. Alternative options that have been considered**

- 3.1 The Council could consider not implementing the discounts or additional premiums that have been introduced in legislation. To do so would mean that West Suffolk was out of step with surrounding local authorities. It would also mean that we had not taken advantage of a significant policy instrument designed to encourage empty properties to be brought back into use. Given the level of housing need in West Suffolk, this would be a missed opportunity to increase the level of available housing.

### **4. Consultation and engagement undertaken**

- 4.1 No changes to the scheme are being proposed so there is no requirement for a consultation exercise.

### **5. Risks associated with the proposals**

- 5.1 No changes are being proposed therefore there are no new risks to consider.

### **6. Implications arising from the proposals**

- 6.1 No changes are being proposed therefore there are no new implications to consider.

### **7. Appendices referenced in this report**

- 7.1 None

**8. Background documents associated with this report**

- 8.1 Council report – 17 December 2019 – Report Number COU/WS/19/014 - Item 7 - Local Council Tax Reduction Scheme (LCTRS) for 2020 to 2021.  
[Link to Report](#)
- 8.2 Council report – 25 February 2020 – Report Number COU/WS/20/005 - Item 10 - Budget and Council Tax Setting 2020 to 2021 and Medium Term Financial Strategy 2020 to 2024.  
[Link to Report](#)