

SUBJECT: APPLICATION OF 'REMISSION' TO COUNCIL TAX CHARGES FOR LONG TERM EMPTY PROPERTIES DURING COVID19

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To propose an amendment to the Council's determination in respect of the additional charges made to long term empty properties for 2020/21 in accordance with Section 11B of the Local Government Finance Act 1992.

2. Background

- 2.1 From 1st April 2020, the Council has the power to extend the additional charge for any long term empty property that has been unfurnished for 5 years or longer to 200%. The Council agreed to use this power, at it's meeting on 21st January 2020, with certain exclusions in place such as new purchasers, property being made habitable for a person with a disability or to increase energy efficiency or carbon footprint.
- 2.2 The legislation requires Councils to make a determination regarding the additional charges before the financial year in which they are to apply takes effect. However, this determination was made prior to the outbreak of the Covid-19 virus in the UK.

3. Proposed Amendment to Determination

- 3.1 Taxpayers subject to the additional charge (especially those subject to the new 200% addition) have been in contact advising that they are unable to prepare their properties for occupation because of the lockdown caused by the outbreak.
- 3.2 As the determination stands, there is no remission from the charge for this reason. Taxpayers would be able to make an application for remission of their charge under Section 13A LGFA92, but in accordance with the Council's policy, this could only be awarded in cases of exceptional hardship beyond the control of the taxpayer and when it is in the interests of the wider taxpayers to do so. It is unlikely that any taxpayer paying the additional charge would meet either of these criteria.
- 3.3 The Council could amend its determination for 2020/2021 by offering a form of remission for taxpayers who are unable to make their properties habitable as a result of the virus. It is proposed to reduce the additional charge by half with effect from 1st April 2020 (to be applied retrospectively) for a maximum period of twelve months, but only in instances where the only reason the property cannot be made

habitable is as a consequence of the Covid-19 outbreak. If approved, the amended resolution is set out in full as Appendix 1 to this report.

4 Organisational Impacts

4.1 Finance

It is not possible to identify the specific loss of Council Tax income as a result of this amendment to the determination. The report to Council on 20th January estimated that the additional revenue that would be generated from applying the premium would be £58,659 of which the Council's share would be £9,269. Any lost revenue through applying this amendment will therefore be lower than £9,269. This will be a cost borne through the Collection Fund and taken into consideration when determining the surplus or deficit of the year.

4.2 Legal Implications including Procurement Rules

The legal implications are as outlined in the report

4.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

5. Risk Implications

5.1 There are no specific risks arising as a result of this report.

6. Recommendation

6.1 That the Council's determination be amended regarding the imposition of additional charges for long term empty properties in accordance with Section 11B of the Local Government Finance Act 1992 by inserting the following wording after paragraph 3(a)(iii):

(iv) Subject to sub-paragraph (e), the Council is satisfied that the that work required to make the property habitable and bring it back into occupation has not been completed as a consequence of delays attributable solely to the outbreak of Covid-19 in the United Kingdom.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? One

List of Background Papers: None

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Resolution from 1 April 2020 set out in full

1. Pursuant to Section 11B of the Local Government Finance Act 1992, the Council resolves that it shall levy an additional charge on the Council Tax for long term empty properties for financial years commencing with the financial year 2020/21. The additional charge shall, subject to paragraphs 2 and 3 below, be the maximum permitted by the legislation for any class of property according to the length of time that it has been a long term empty property.
2. (a) The additional charge shall not apply in the first 12 months that a taxpayer becomes liable for the Council Tax for a property following the date of its purchase.

(b) This paragraph shall not apply if in the Council's view, the sale and purchase of the property was contrived in order to avoid the additional charges.

(c) For the purpose of this paragraph, a property will only be considered to have been sold if there is a conveyance leading to an amendment regarding the proprietorship of the property on the Land Register entry for the property.
3. (a) The amount of the additional charge shall be halved in the following situations:
 - (i) Subject to sub paragraphs (b) and (d), the Council is satisfied that the taxpayer is taking reasonable steps to return the property to a habitable state
 - (ii) Subject to sub paragraph (c), the Council is satisfied that the taxpayer is taking reasonable steps to bring the property back into occupation
 - (iii) Subject to sub paragraph (d), the Council is satisfied that the taxpayer is taking reasonable steps to make the property suitable for occupation by a person with a disability.
 - (iv) Subject to sub-paragraph (e), the Council is satisfied that the that work required to make the property habitable and bring it back into occupation has not been completed as a consequence of delays attributable solely to the outbreak of Covid-19 in the United Kingdom.
(b) This paragraph shall not apply in the following circumstances:
 - (i) The taxpayer has already received a local discount from the Council from the Council Tax for this property under Section 11A of the Local Government Finance Act 1992 and Class D of the Council Tax (Prescribed Classes of Dwellings) Order 2003.
 - (ii) The taxpayer has at the time of the repairs commencing been liable for the Council Tax at the property for a period of 18 months or longer.
(c) This paragraph applies for a maximum period of 3 months.

(d) This paragraph applies for a maximum period of 6 months.

(e) This paragraph applies for a maximum period of 12 months