

Title and date of meetings:	Cabinet - 8 February 2016 Council - 9 February 2016
Subject:	Council Tax Discounts
Report by:	Director of Community and Communication
Wards affected:	All
Key decision:	Yes
Full Council decision:	Yes

1. Purpose of report

The purpose of this report is to ask Council to approve changes to Portsmouth City Council's "Council Tax Policy for Second Homes, Long Term Empty Properties and determining discounts for certain dwellings" for implementation on 1 April 2016 attached as appendix 1.

2. Recommendations

That Cabinet agree and recommend to Council

- (1) To continue the current policy of 0% council tax discounts on second homes**
- (2) To continue the current policy of giving 40% council tax discounts for 12 months for empty and unfurnished properties undergoing major repair**
- (3) To amend the first phase of the empty homes period to reduce the council tax discount from 100% to 0% with effect from 1 April 2016.**

3. Background

The Local Government Finance Act 2012 amends the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts and charges applied within the Council Tax regime.

The Council's current policy has been effective since 1 April 2013, and the purpose of this report is to recommend a change in relation to the part of this policy regarding the first phase of a property being empty.

Currently a 100% discount is available for up to 1 month, however experience of administering this policy suggests reducing the discount to 0% will reduce collection

administration costs by reducing the level of disputes between tenants and landlords in relation to which party should attract the discount. In addition the reduction in this discount may provide an incentive of maintaining the property as occupied.

It is proposed that Portsmouth City Council amends the current policy relating to second homes, long term empty properties and determining discounts for certain dwellings as set out in 4 below for the reasons given in that section.

4. Reasons for recommendations

Properties that are empty and unfurnished 0% discount (Change from current 100% discount for one month)

The reasoning behind the change is:

- Reducing the discount from 100% to 0% on empty and unfurnished properties will provide some incentive to keep the property occupied.
- The current scheme encourages disputes between tenants and property owners regarding vacation dates and which party is eligible to the current 100% discount.

In essence unless an empty and unfurnished property is undergoing major repair, there will be no discount available

Properties that are empty and unfurnished and undergoing major repair 40% discount for 12 months - no change

- Continuing to provide for a 12 month discount whilst a property is undergoing long term repair etc. provides some incentive to return properties to habitable use.

Long term empty properties 50% premium - no change

Long-term empty homes are properties that have been empty for longer than 2 years.

Portsmouth levies a premium of 50% on top of the full Council Tax charge on these properties. It is proposed that this premium charge continues unchanged.

- The purpose of applying a premium is to encourage owners to bring empty properties back into use.

5. Equality impact assessment

These recommendations do not have any negative impacts on any of the protected characteristics as described by the Equality Act 2010. The people that receive the council tax reductions are social, private landlords or second property owners; this will not disproportionately impact negatively on any of the equality groups. As this

will not have any adverse impacts a preliminary equality assessment has not been completed.

6. Legal implications

The Local Government Finance Act 1992, section 11A, and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 provide the power, and prescribe the various classes of dwellings to which that power applies in relation to the recommendation.

Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, Cabinet is empowered to make this decision.

7. Director of Finance's comments

The value of new income arising from this proposal is difficult to quantify. However, the approved budget savings for 2016/17 include a provision for additional income of £100,000 as a consequence of the review of exemptions, discounts and late notifications

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Signed by:

Appendices: Appendix 1 - Portsmouth City Council - Council Tax Policy for Second Homes, Long Term Empty Properties and determining discounts for certain dwellings.

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Local Government Finance Act 2012	
Local Government Finance Act 1992	
Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012	
Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003	
Council Tax (Exempt Dwellings) Order 1992	