

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 21 December 2020</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Council Tax Unoccupied Dwellings: 2021-2022
Purpose of Report:	To seek approval for the policy to be adopted for Council Tax on unoccupied dwellings for 2021-2022.
Report Owner:	Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Carys Lord - Head of Finance / Section 151 Officer
Elected Member and Officer Consultation:	No Elected Members have been consulted as this is not a ward specific matter
Policy Framework:	Operational Manager Exchequer Services
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>The report proposes that Cabinet reaffirms its previous decision not to grant any discount in council tax for long term empty properties and furnished second homes for the 2021-22 financial year.</li> </ul>	

## **Recommendation**

1. That Cabinet recommends to Full Council that no discount be allowed in 2021/22 in respect of unoccupied dwellings as defined in classes A, B and C to the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 1998, as amended.

## **Reason for Recommendation**

1. The Council is required to determine its policy on discounts in relation to unoccupied dwellings as defined in classes A, B and C to the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 1998 each year.

### **1. Background**

- 1.1 A Welsh Local Authority may decide to give no discount, or a discount of between 10% and 50% in respect of unoccupied, furnished dwellings.
- 1.2 The Welsh Regulations allow authorities to reduce or discontinue the 50% discount on dwellings which are unoccupied and substantially unfurnished and have been for more than six months.
- 1.3 The Welsh Regulations prescribe three classes of dwellings for which Welsh Local Authorities will have discretion to consider the discounts allowable

### **Unoccupied furnished dwellings**

**1.3.1** The Regulations prescribe two classes of unoccupied and furnished dwellings for which Welsh Local Authorities will have discretion to consider whether a discount should apply or not. The discounts that are allowable are between 10% and 50% -:

- Class A relates to dwellings with a restriction on occupancy by law which prohibits their use for a period of at least 28 consecutive days in any 12 month period;
- Class B relates to dwellings that have no such restriction on occupancy

### **Unoccupied unfurnished dwellings**

**1.3.2** The Regulations prescribe a class of unoccupied and unfurnished dwelling for which Welsh Local Authorities will have discretion to consider whether a discount should apply or not. The discounts allowable are up to a maximum of 50% -:

- Class C relates to long term (more than 6 months) unoccupied and substantially unfurnished dwellings.

- 1.4 Empty properties which are unoccupied and substantially unfurnished are initially exempt from Council Tax for a period of up to six months. A property is considered to be 'long-term empty' if it has been unoccupied and substantially

unfurnished for more than six months and does not qualify for another class of exemption from Council Tax.

## **2. Key Issues for Consideration**

- 2.1** The council's current policy is not to allow any discount on unoccupied dwellings (classes A, B and C). It is proposed to continue this policy for 2021-2022.

## **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** The proposals in this report will enable the Council to continue to work towards the Well-being Outcome of Cohesive Communities by contributing to the goal of attractive, viable, safe and well-connected communities.
- 3.2** By encouraging owners to bring their empty properties back into use then this will have many positive impacts for the property owner, the local neighbourhood, the wider community and the local economy.

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1** When applying the full charge on unoccupied properties as specified in classes A, B and C to the Council Tax (Prescribed Class of Dwellings) (Wales) Regulations 1998, then this is reflected in the Council Tax Base, which is used by the Welsh Government in determining the Revenue Support Grant Settlement.

### **Employment**

- 4.2** None as a direct result of this report

### **Legal (Including Equalities)**

- 4.3** The Council is obliged to collect council tax in line with Government Regulations

## **5. Background Papers**

None