

Appendix D: Council Tax Technical Changes

Since April 2009 Haringey has awarded a 10% discount in respect of second homes. With effect from 1st April 2013, this discount can be reduced to 0%. Cabinet on the 10th July agreed this recommendation of reducing the discount to 0%.

Empty properties undergoing major repair (previously exemption Class A) will be replaced with a discount which billing authorities will have discretion to set at between 0% and 100%. Cabinet on the 10th July agreed a recommendation to reduce the discount to 0%. However, this decision was made before the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 were laid. The recommendation now is to offer a discount of 50% for a maximum of one year from the 1st April 2013. A 0% discount will apply thereafter.

The current Class C exemption (empty and unfurnished dwellings) will be replaced with a discount which billing authorities will have discretion to set at 0% to 100%. Cabinet on the 10th July agreed a recommendation to reduce the discount to 0%. Consideration has been given to administration of the changes and the need for owners to prepare properties for re-use. Since the Regulations were laid, the Department for Communities and Local Government has confirmed in a Council Tax Information Letter: 2/2012 that the Council has complete discretion over the level of council tax discount for an empty home and the time period for which it may apply. As such, the recommendation now is to offer an initial 100% discount for the first calendar month. Zero discount will apply thereafter. The discount will be allowed once during any empty period. Occupation periods of less than six weeks will be disregarded in administering the one month 100% discount period, as is usual practice in the administration of discounts and exemptions

An Empty Homes Premium is payable in respect of dwellings that have been empty and unfurnished for two years. The premium may be set at a maximum of 50%. Cabinet on the 10th July agreed a recommendation to set the premium at 50%. This means the amount payable after two years will be 150% of the council tax due. The Government has indicated there will be some exclusion to the premium and these include; (i) dwellings for whom the liable person is a member of the armed forces, who is absent as a result of such service and (ii) an unoccupied annexes. The impact of these changes largely affects the owners of empty properties and second homes. Changes in this respect will work as an incentive for owners to bring empty properties back into use and will raise additional income to Haringey.

It is assumed that there will be some level of movement between exemption and discount types with council tax payers who face increased bills looking to benefit by applying for alternate discounts and exemptions. A continuous exercise of review is undertaken to ensure the discounts and exemptions currently in place are valid. At certain times the service will look for additional information to be supplied by landlords particularly when tenancy agreements are supplied for earlier periods than can be easily verified, the purpose here is to secure validity and accuracy of reductions awarded.

Class A (Uninhabitable) dwellings:

Band	Number of cases	Existing level:	Value	Revised level:	Value
A	6	100% exemption for 12 months	£0.00	50% discount for 12 months	£2,982.12
B	25		£0.00		£14,496.25
C	24		£0.00		£15,904.44
D	24		£0.00		£17,892.48
E	16		£0.00		£14,578.16
F	9		£0.00		£9,691.83
G	13		£0.00		£16,152.96
H	3		£0.00		£4,473.14
Increase in debit					£96,171.38

Class C (Empty & Unfurnished) dwellings:

Band	Number of cases	Existing level:	Value	Revised	Value
A	47	100% exemption for 6months	£0.00	100% discount for 1 month, zero discount thereafter	£19,466.62
B	160		£0.00		£77,313.33
C	250		£0.00		£138,059.38
D	128		£0.00		£79,522.13
E	63		£0.00		£47,834.59
F	21		£0.00		£18,845.23
G	35		£0.00		£36,240.61
H	8		£0.00		£9,940.30
Increase in debit					£427,222.19

Second Homes:



Band	Number of cases	Existing level:	Value	Revised level:	Value
A	55	10% continuous discount	£49,204.98	Zero discount	£54,672.20
B	124		£129,422.52		£143,802.80
C	169		£201,588.78		£223,987.53
D	123		£165,058.13		£183,397.92
E	65		£106,602.80		£118,447.55
F	22		£42,644.05		£47,382.28
G	14		£31,311.88		£34,790.98
H	6		£16,103.29		£17,892.54
Totals			£741,936.42		£824,373.80
Increase in debit					£82,437.38

Empty Homes Premium

Band	Number of cases	Existing level:	Value	Revised level:	Value
A	10	100% payable	£9,940.40	150% payable after 2 years.	£14,910.60
B	34		£39,429.80		£59,144.7
C	52		£68,919.24		£103,378.86
D	31		£46,222.24		£69,333.36
E	12		£21,867.24		£32,800.86
F	6		£12,922.44		£19,383.66
G	7		£17,395.49		£26,093.23
H	8		£23,856.72		£35,785.08
Totals			£240,553.57		£360,830.35
Increase in debit					£120,276.78