

Council Tax Technical Changes (as at April 2012)

These tables highlight the additional income which could be generated if this Council chooses to apply the maximum discretion in relation to technical reforms of Council Tax liability.

Second Homes

In Bath & North East Somerset we have identified 711 properties which come in to this category. At present these properties are awarded 10% discount. Under the technical reforms, if we were to award 0% discount from April 2013 we would increase our debit collectable by £108730.33 based on the average 2012 charge.

Band	No of Properties	Amount raised by charging additional 10%
A	59	£5,781.09
B	109	£12,460.34
C	190	£24,822.84
D	137	£20,135.83
E	94	£16,886.04
F	53	£11,251.93
G	59	£14,452.73
H	10	£2,939.54
Total	711	£108,730.33

If we are to charge 100% for second homes and 100% for empty unfurnished properties it will become increasingly difficult to differentiate between the two categories as there is no incentive for owners to report such a change.

Long Term Empty Properties

In Bath & North East Somerset we have identified 207 properties which have been empty for a period longer than two years and if we were to charge them 150% as proposed by the technical reforms, we would potentially raise an additional debit of £147,793.48 based on the average 2012 charge.

These properties are currently charged at 100% Council Tax liability.

Band	No of Properties	Amount raised by charging additional 50%
A	33	£16,167.46
B	44	£25,149.31
C	48	£31,355.16
D	41	£30,130.26
E	14	£12,574.71
F	7	£7,430.52
G	18	£22,046.53
H	2	£2,939.54
Total	207	£147,793.48

Bringing long term empty properties back into occupation is a major challenge for all authorities and this ability to raise the levy in these cases should act as a spur to encourage owners to do so. This will of course subsequently lead to a reduction in the amount of debit collectable from such premises and should be noted.

Properties requiring structural repair to make them habitable - Class A Exemptions

In Bath & North East Somerset we have identified 144 properties which come into this category currently and if we were to stop giving the 12 months exemption of 100% based on average 2012 charges, we would raise an additional debit of £220,792.11.

Band	No of Properties	Amount raised by charging 100%
A	7	£6,858.92
B	35	£40,010.26
C	34	£44,419.81
D	20	£29,395.38
E	20	£35,927.75
F	15	£31,845.08
G	12	£29,395.38
H	1	£2,939.54
Total	144	£220,792.11

Again this would support the principle of bringing empty property into occupation sooner and would have similar impacts to those proposed under long term empty changes.

It may however, lead to some cases of hardship and support in these cases may need to be considered.

A change in behaviour here would not necessarily mean a change in the amount of potential debit to be raised as an occupied property would realise the same level of charge in most cases.

Unoccupied, unfurnished properties - Class C Exemptions

In Bath & North East Somerset we have identified 915 properties that fall into this category and if we were to stop giving them the 6 months exemption based on average 2012 charges, we would increase collectable debit by around £598,114.41

Band	No of Properties	Amount raised by charging 100%
A	181	£88,676.04
B	279	£159,469.48
C	226	£147,630.55
D	117	£85,981.48
E	50	£44,909.68
F	29	£30,783.58
G	32	£39,193.83
H	1	£1,469.77
Total	915	£598,114.41

This technical reform has potential for realising the highest level of increase in collectable debit and would again serve to encourage the earlier occupation of empty properties.

Without differentiation between the charge for occupied and unoccupied premises it will make classification more difficult and raising a charge in all cases could cause hardship in some cases.

Exempt Class L`s - an unoccupied dwelling where a mortgagee is in possession under the mortgage;

Our current records only identify 9 properties in this category on our system and if we were to stop giving them and exemption and charge the mortgage company we would raise a debit of £14,044.47

Band	No of Properties	Amount raised by charging additional 100%
A	1	£979.85
B	2	£2,286.30
C	3	£3,919.40
D	0	0
E	1	£1,796.39
F	1	£2,123.01
G	0	0
H	1	£2,939.54
Total	9	£14,044.47

Summary

If all of these options as set out in the new Council Tax Technical Reforms are adopted then they would realise an increased debit within the collection fund of around £1million. This increase can be used to meet the Council's very tough spending requirements and support the delivery of services to all Council Tax payers.

There does need to be an adjustment to the Council Tax Base to reflect a decision on these options and this should also take account of potential changes in behaviour and variances that are likely in these options.

These additional changes in administration will all attract an additional cost which is yet to be determined and needs to be viewed in light of the final scheme for this and Council Tax Support, as well as funding towards administrative costs.

NB. All of these numbers are taken as a snapshot and will be subject to change!