

Council Tax Technical Changes (as at Oct 2012)

These tables highlight the potential value of the options in relation to technical reforms of Council tax liability and provide recommendations in each case.

Second Homes

In Bath & North East Somerset we have identified 797 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 £118083.39.

Band	No of Properties	Amount raised by charging additional 10%
A	67	£6525.712
B	133	£15060.36
C	221	£28370.567
D	155	£22457.787
E	98	£17305.08
F	51	£10635.036
G	61	£14728.016
H	11	£3000.829
Total	797	£118083.39

Recommendation: To charge 100% for second homes on the basis that there should be no differentiation between these properties and occupied properties.

Long Term Empty Properties

In Bath & North East Somerset we have identified 200 properties which have been empty for a period longer than two years and if we were to charge them 150% as is made permissible by the technical reforms, we would potentially raise an additional debit of £140244.44.

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

Band	No of Properties	Amount raised by charging additional 50%
A	33	£15900.58
B	43	£24343.98
C	47	£30291.53
D	38	£27687.32
E	14	£12476.93
F	7	£7326.61
G	16	£19339.04
H	2	£2878.46
Total	200	£140244.44

Recommendation: To levy the additional 50% in order to encourage owners to bring long term empty properties back in to occupation.

This 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 105 properties which come in to this category currently and if we were to stop giving the 12mths exemption of 100%, we would raise an additional debit of £150011.18

Band	No of Properties	Amount raised by charging 100%
A	6	£5852.84
B	20	£15845.03
C	29	£37409.43
D	17	£24785.21
E	19	£33579.41
F	5	£10243.57
G	8	£19417.23
H	1	£2878.46
Total	105	£150011.18

Recommendation:- To charge 100% for all properties that fall within this category.

This supports the principle of bringing empty property in to 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 on a case by case basis.

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 1039 properties that fall in to this category and if we were to stop giving them the 6mths exemption based on average 2012 charges, we would increase collectable debit by around £685612.59

Band	No of Properties	Amount raised by charging 100%
A	201	£98372.105
B	306	£174410.25
C	248	£160648.22
D	132	£95838.905
E	68	£60386.305
F	41	£42906.225
G	38	£45852.185
H	5	£7198.39
Total	1039	£685612.59

Recommendation: - To make the maximum charge of 100% for all properties falling within this category.

This technical reform is intended to encourage the earlier occupation of empty properties and supports the need to make valuable housing stock available for residents in Bath & North East Somerset.

Without differentiation between the charge for occupied and unoccupied premises it will make classification more difficult and raising a charge in all cases may cause hardship in some cases. These will need to be considered on a case by case basis.