

Responses to questions posed in the consultation paper

Question 1

Do you agree with the Government's proposal to extend the range of discount available to billing authorities in respect of second homes to 0 to 50 per cent?

Response

Yes

Question 2

How might authorities choosing not to offer any discount on second homes identify them in order to report second homes as necessary for formula grant purposes?

Response

We are not aware of a simple way of identification. We have, in response to Question 1, agreed with the Government's proposal to extend the range of discount available to billing authorities in respect of second homes. However, if the range of discount is amended, we would approach any decision to reduce the discount that we apply with caution. This is because we are aware that owners of second homes will often state that one person has their sole or main residence in the second home. This then entitles the liable person to a single occupancy discount of 25%. It therefore appears to us that, to assist with this problem, billing authorities should be given the discretion to vary the rate of the single occupancy discount.

For information and not part of the response – we have 276 second homes within our council tax base for 2012/13

Question 3

Do you agree with the Government's proposal to abolish Class A exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?

Response

Yes

Question 4

If Class A exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the one-year time limit continue to apply, or should billing authorities have any discretion about it?

Response

Billing authorities should have discretion.

Question 5

If Class A exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?

Response

Yes

Question 6

Do you agree with the Government's proposal to abolish Class C exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?

Response

Yes

Question 7

If Class C exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the six month time limit continue to apply, or should billing authorities have any discretion about it?

Response

Billing authorities should have discretion

Question 8

If Class C exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?

Response

Yes

Question 9

Should Government seek to make mortgagees in possession of empty dwellings liable to council tax?

Response

Yes

Question 10

Would enabling local authorities to levy an empty homes premium on council tax have a significant impact on the number of homes being left empty?

Response

We agree that billing authorities should be given the option to levy an empty homes premium on council tax, as that would be a useful, additional weapon in the battle to bring empty properties back into use. However, on its own, we have reservations as to whether it would have a significant impact, bearing in mind that, as with any tax, as the rate increases the incidence of avoidance/evasion will increase.

For information and not part of the response – we have 230 long-term empty properties within our council tax base for 2012/13

Question 11

In terms of a percentage of normal council tax, what should the maximum permitted premium be?

Response

We suggest 200 per cent.

Question 12

How long should a dwelling have remained empty before the empty homes premium might be applied in respect of it?

Response

We suggest two years.

Question 13

Should constraints be placed on the purposes to which the additional tax revenue generated from an empty homes premium may be devoted?

Response

No

Question 14

What circumstances if any should be defined as being inappropriate for levying the empty homes premium, and why?

Response

We are not aware of any.

Question 15

What practical issues would have to be addressed if the premium were to be implemented (for example in the consistent identification of empty homes) and how should they be resolved?

Response

We consider that the only practical way to identify the properties would be via a greatly enhanced programme of inspections. This would have a significant cost implication.

Question 16

Do you agree that Section 66(2C)(a) should be amended along the lines suggested?

Response

Yes

Question 17

Do you agree that the default pattern of council tax bill instalments should be payment by 12 monthly instalments (with other arrangements to be reached by agreement between taxpayer and billing authority)?

Response

No. The current arrangements do not, in the majority of cases, cause difficulty to taxpayers. These arrangements have been in operation since the inception of council tax and taxpayers are used to them and, we believe, budget accordingly. This Council extends the time for payment if a taxpayer is experiencing financial difficulties and we would be concerned that, if the default number of instalments were twelve, any extension to the period of time for payment would necessitate a debt being rolled forward to the next financial year, thereby compounding difficulties in that year. **If the legislation were to be amended, then we would strongly urge that the default should be applied only to council tax accounts being opened after the coming into effect of the amending legislation and that existing taxpayers would have the right to pay over twelve months only upon request.** As will be appreciated, any blanket change will have a negative effect on billing authorities' cash-flows.

It should be noted that all councils commence the preparation of council tax bills for the following financial year in early/mid-March. This means that payments made during March might not be reflected on the annual demand for the following year, which will show brought forward arrears. We know, from experience, that this will be confusing for council taxpayers and significantly increase enquiries from customers.

In addition, if the legislation were to be amended, it would be imperative that the government amends the regulations surrounding the payment, from the collection fund, of council taxes due to precepting authorities. Presently, such payment arrangements are based on the cash flow assumptions arising from a default number of instalments of ten, as opposed to twelve.

Question 18

Do you agree that billing authorities should be able to discharge their duty to provide the information that must currently be supplied with demand notices by publishing it online (with the exception of information relating to penalty charges, and subject to the right of any resident to require hard copy)?

Response

Yes

Question 19

Do you agree that domestic scale solar photovoltaic installed on dwellings should be treated as part of those properties?

Response

Yes

Question 20

Do you agree that domestic scale solar photovoltaic should be defined as installations having a maximum generating capacity of 10 kW?

Response

Yes

Question 21

In what circumstances if any do the rules requiring the separate banding of self contained units of accommodation within a hereditament give rise to injustice?

Response

We are unaware that they do. It should be borne in mind that, at the time of the annexe being separately banded, the banding of the remainder of the property might well have been decreased. The fact that an annexe might no longer be occupied as a 'granny annexe' does not mean that it will not be re-occupied in the future as a 'granny annexe' or that it is unavailable for use by other family members seeking a degree of separation from the family, such as adult children. We suggest that the 'occasional' representations that the government has received might flow from the fact that whilst the annexe is occupied by an elderly family member no council tax is payable. The problem appears to be caused not by the separate banding of the annexes but by the loss of an exemption when an elderly family member is no longer in occupation.

Question 22

Should the Government seek to make changes to these rules, and if so, what changes?

Response

No