

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

10 October 2012

### Report of the Director of Finance

#### Part 1- Public

#### Executive Non Key Decisions

#### 1 COUNCIL TAX – EMPTY HOMES PREMIUM

A report advising Members of a consultation paper, from the Department for Communities and Local Government, seeking views on the calculation of the council tax base in respect of properties subject to an empty homes premium.

##### 1.1 Background

1.1.1 Members will be aware that we are required to calculate a council tax base by 30 November of each year. Members will also be aware that it is anticipated (subject to the relevant legislation being enacted) that, if a billing authority so chooses, it will have the power to levy a council tax premium, of up to 50%, on a property that has remained empty for more than two years.

1.1.2 The consultation paper seeks views on how properties that are subject to such a premium should be accounted for when calculating the council tax base. Responses are invited by 22 October.

1.1.3 I would remind Members that I referred to the empty homes premium in my report to Cabinet of 20 June this year. The relevant part of the minutes states:

*"In principle, consideration should be given to the adoption of a premium in respect of properties that have been empty for longer than two years." (Decision No: D120083CAB refers).*

1.1.4 Members have yet to consider whether a premium should be adopted. However, if a premium were, in due course, adopted, the proposals in this consultation paper would be of interest.

##### 1.2 The consultation paper

1.2.1 The consultation paper is relatively brief and, for Members' information, is attached at [ANNEX 1].

1.2.2 It is proposed that authorities will be able to use the income from the premium for whatever purposes they choose. To achieve the Government's intention, it is suggested that the Band D equivalent of the income from the premium should be added to the council tax base. This would apply to the council tax base used by the major precepting authorities **and** the local precepting authorities. Members should note that this is different to the proposed treatment of reductions under the council tax reduction schemes.

1.2.3 The consultation paper seeks responses to only three questions, namely:

- 1) Do you agree that this is the most appropriate way to reflect properties liable to the premium in the council tax base?;
- 2) Do you agree that the proposals in this consultation document are the most appropriate way of meeting the policy intention to allow authorities to keep the additional revenue raised by the premium and use it in the way they best see fit?; and
- 3) Do you agree with this treatment of the council tax base in relation to major precepting authorities and local precepting authorities?

1.2.4 I believe that we should respond positively to all three questions.

### **1.3 Legal Implications**

1.3.1 None at the moment.

### **1.4 Financial and Value for Money Considerations**

1.4.1 None at the moment.

### **1.5 Risk Assessment**

1.5.1 No risks; consultation paper only.

### **1.6 Equality Impact Assessment**

1.6.1 See 'Screening for equality impacts' table at end of report

### **1.7 Recommendations**

1.7.1 Members are **REQUESTED** to authorise me to respond to the DCLG to the effect that we agree with the three proposals in the consultation paper.

Background papers:

contact: Paul Griffin

Nil

Sharon Shelton  
Director of Finance

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Consultation paper only.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	Consultation paper only.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*