

**POLICY AND RESOURCES CABINET BOARD**  
**8<sup>th</sup> OCTOBER 2009**

**DIRECTORATE OF FINANCE & CORPORATE SERVICES**

**REPORT OF THE HEAD OF REVENUES & CUSTOMER SERVICES**  
**- M. JONES**

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**Part 1 - Doc.Code: PRB-081009-REP-FS-MJ**

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## **SECTION A**

### **ITEM 1**

#### **COUNCIL TAX - PRESCRIBED DWELLINGS**

##### **Purpose of Report**

1. To determine the level of council tax discount in respect of certain classes of dwellings for 2010/11.

##### **Background**

2. The Local Government Finance Act 1992 (as amended) gives the National Assembly the power to prescribe classes of unoccupied dwellings in respect of which local authorities may determine the level of discount.
3. The level of discount for each class can apply to the whole of the authority's area or to such parts as it determines.
4. There are 3 classes of prescribed dwellings:
  - Classes A & B which include dwellings which are unoccupied but furnished. Class A refers to dwellings where occupation for a continuous period of 28 days or longer is prohibited (chalets etc.), while Class B refers to dwellings where no restriction on occupation applies.
  - Class C which includes long term empty properties which are both unoccupied and substantially unfurnished. This class was introduced 2005/06.
5. Normally empty dwellings will receive a discount of 50%, and previously authorities had the power to reduce the level of discount in respect of prescribed classes A and B to 25% or nil.
6. The legislation has now been amended to give authorities the power to reduce the level of discount to whatever percentage (including zero) which they determine.

##### **Prescribed Class A**

7. You have previously resolved not to grant any discount in respect of Class A and it is recommended that no discount be granted for 2010/11.
8. There are no dwellings in Neath Port Talbot at the present time which fall into Class A.

## **Prescribed Class B**

9. Examples of the circumstances affecting many of the dwellings which fall into Prescribed Class B are:
  - (a) A pensioner/pensioners moving into sheltered accommodation and leaving the dwelling vacant but furnished.
  - (b) A dwelling which is for sale, but remains furnished as the furniture is being sold with the property.
  - (c) A property which would fall into the definition of uninhabitable but for the fact it is furnished.
  - (d) A property jointly owned by a parent and child, where the parent moved into a nursing home and subsequently passes away.
  - (e) A property which passes to someone's ownership when probate is granted.
10. Since the 1<sup>st</sup> April 2001, you have been granting a 25% discount in respect of Prescribed Class B in recognition of the problems associated with not allowing any discount in the type of cases outline in paragraph 9 above.
11. An example of these problems is that if no discount is granted, the result of the dwelling moving into Prescribed Class B could be to increase the amount of Council Tax payable, as previously the dwelling may have been subject to a single person discount or full exemption. Furthermore, there is no time allowed in some of the situations for a person to remove the furniture from the property.
12. The legislation now allows you to apply a discount for any percentage of less than 50%. You could, therefore, reduce the current 25% discount (eg. to 10%, 15% or 20%).
13. There are at present around 420 properties in Class B.
14. There is no financial benefit in reducing the discount as the resultant increase in the council tax base would be offset by a corresponding decrease in Revenue Support Grant.
15. It is recommended that you continue to grant a 25% discount for 2010/11.

## **Prescribed Class C**

16. This class refers to long term empty properties, of which there are around 1,200 in Neath Port Talbot.
17. There is no financial benefit in reducing or withdrawing the discount, as the resultant increase in the council tax base would be offset by a corresponding decrease in Revenue Support Grant.

18. From a housing point of view, there may be a case for reducing or removing the discount as a way to encourage owners to bring long term empty properties back into occupation. Against this, there is likely to be a strong reaction against such a reduction by those owners.
19. A survey of South Wales authorities carried out in September 2007 indicated that only 1 authority has resolved to reduce or remove the discount.

### **Recommendation**

20. That no discount be granted to dwellings in Prescribed Class A for 2010/11.
21. That a 25% discount be granted to dwellings in Prescribed Class B for 2010/11.
22. That no determination to reduce or remove the discount in respect of dwellings in Prescribed Class C be made for 2010/11.

### **Reason for Proposed Decision**

23. For the reasons set out in the report.

### 24. **List of Background Papers**

Local Government Finance Act 1992

Local Government Act 2003

Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998 (SI 1998/105)

Council Tax system print ct 6140b

Survey of Welsh local authorities carried out in September 2007

### 25. **Wards Affected**

All

### 26. **Officer Contact**

M. Jones - Head of Revenues & Customer Services

Tel. 01639 764203      email: [m.j.jones@npt.gov.uk](mailto:m.j.jones@npt.gov.uk)

S. Jones - Principal Officer – Council Tax

Tel. 01639 764236      email: [s.jones1@npt.gov.uk](mailto:s.jones1@npt.gov.uk)

## **COMPLIANCE STATEMENT**

### **COUNCIL TAX - PRESCRIBED DWELLINGS**

(a) **Implementation of Decision**

The decision is proposed for implementation after the 3 day call-in period.

(b) **Sustainability Appraisal**

**Community Plan Impacts:**

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	No impact
Environment and Transport	No impact
Crime and Disorder	No impact

**Other Impacts:**

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

(c) **Consultation**

There has been no requirement to consult under the Forward Work Programme.