

## **COUNCIL TAX DISCOUNTS**

### **Summary**

1. The Council Tax legislation allows local authorities to set different discount percentages for properties that are classed as being “long-term empty” and “second homes”. This report summarises the legislative position and the decisions that City of York Council has already taken and can take to vary the level of discount.

### **Background**

2. The ability for Council’s to determine the level of discount is prescribed in Regulation 11A of the Local Government Finance Act 1992 which had been inserted into the Act by the Local Government Act 2003. The classes of properties that can be subject to discounts were further defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 which defines the distinction between a long-term empty property and second homes.
3. A long-term empty property is one that has been unoccupied in excess of six months, prior to that a 100% exemption is applied. No minimum discount is prescribed and currently City of York Council has a 0% discount, i.e. 100% tax is levied. The discount was reduced from 10% to 0% in 2004.
4. A second home is determined by a person’s sole or main residence. The legislation sets a 10% minimum discount, which the Council currently applies.

### **Options**

5. The legislation does allow Council’s to vary the level of discount for long-term empty properties and second homes. At present we have adopted the lowest possible discount levels for both categories so there is no further option to remove the 10% discount (for second homes).

## Analysis

6. At present the Government have not issued any proposals to vary the Council Tax discount legislation. If the 10% second homes discount were to be scrapped this would affect about 700 properties in York. This equates to £93k additional revenue based on figures as at 31 December 2008 (this includes apportioned accounts). Second homes comprise 56% of the total number of properties in the prescribed discount categories.
7. There is no readily available data from similar local authorities to show the levels of discount offered for long-term empty properties and second homes.

## Implications

8. Implications are as listed below:
  - **Financial** - none
  - **Human Resources** - none
  - **Equalities** - none
  - **Legal** - none
  - **Crime and Disorder** – none
  - **Human Resources** - none
  - **Information technology** – none
  - **Legal** - none
  - **Human Resources** - none
  - **Property** – none

## Recommendations

9. Members are asked to note the contents of this report which is provided for information purposes.

## Contact Details

**Author:**

Andrew Walmsley  
Business Manager  
Tel: 01904 552929

**Chief Officer Responsible for the report:**

Lisa Phillips  
Head of York Customer Centre

**Report Approved****Date** 08/01/2009**Specialist Implications Officer(s):** None**Wards Affected:** *List wards or tick box to indicate all***All****For further information please contact the author of the report****Background Papers:** None**Annexes:** None