

Warwick District Council
Technical Reforms of Council Tax
Consultation Response

Proposals on second homes

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?

The council agrees that the range of discounts should be extended to 0 to 50%

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?

The Council maintains existing records of second homes for CTB1 reporting as they currently qualify for a 10 percent reduction. Ongoing monitoring will become a problem as there will be no financial benefit to taxpayers to notify the Council of second homes. Consequently future identification of these properties are likely to incur administrative costs

Proposals on Class A exemption (Uninhabitable)

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?

The Council agrees with the proposal to abolish Class A exemption as it will help incentivise owners to bring properties back into use. However there will always be circumstances where an exemption/discount may be appropriate e.g. flooding, subsidence etc and therefore the Council should have the flexibility to be able to apply a discount in the range of 0-100 per cent for a defined period. It should not, however, be an automatic discount.

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?

The Council believes that billing authorities should have the discretion to apply its own time limit taking into account local circumstances.

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?

The Council believes that billing authorities should have the discretion to apply its own levels of discount taking into account local circumstances.

Proposals on Class C exemption (empty < 6 months)

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?

The Council agrees that the Class C exemption should be abolished and replaced with a discount set in the range 0 to 100 per cent.

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?

The Council believes that billing authorities should have the discretion to apply its own time limit taking into account local circumstances. In order to retain an incentive for owners to return properties to use within a certain period there should be the option to have a lower discount for an initial period that a property is empty.

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?

The Council believes that billing authorities should have the discretion to apply its own levels of discount taking into account local circumstances. In order to retain an incentive for owners to return properties to use within a certain period there should be the option to have a lower discount for an initial period that a property is empty.

Class L exemption (Empty but in possession by mortgage lender)

Question 9 - Should Government seek to make mortgagees in possession of empty dwellings liable to council tax?

The Council agrees that mortgagees in possession of empty dwellings should rank higher than owner on the hierarchy of liability and should therefore be liable for council tax. This represents a better outcome for local residents who currently subsidise repossessed homes by way of the Class L exemption. Making the mortgagee liable would incentivise banks and building societies to get properties back into circulation as quickly as possible. The one concern is that the building societies/banks will pass this cost back to the owner.

Long Term Empty Dwellings

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?

The Council considers that an empty homes premium would provide a significant incentive in encouraging owners to bring properties back into use at the earliest opportunity.

However this levy would not be without incumbent difficulties least of all the potential for taxpayers to fraudulently declare that a property is occupied in order to avoid the premium. This could lead to resource implications for billing authorities who may need inspectors to inspect occupied premises to verify occupation rather than unoccupied properties.

Nevertheless the Council believes that an empty homes premium should be an option available to billing authorities to reduce the number of empty homes.

Question 11 - In terms of a percentage of normal council tax, what should the maximum permitted premium be?

The Council believes that billing authorities should have discretion on the level of premium taking into account of local circumstances.

Question 12 - How long should a dwelling have remained empty before the empty homes premium might be applied in respect of it?

The Council believes that BAs should have discretion over at what point an empty home becomes liable to an empty homes premium.

Question 13 - Should constraints be placed on the purposes to which the additional tax revenue generated from an empty homes premium may be devoted?

In the spirit of localism, the Council believes that any additional revenue generated as a result of an empty homes premium should not be ringfenced in any way.

Question 14 - What circumstances if any should be defined as being inappropriate for levying the empty homes premium, and why?

If billing authorities are allowed the maximum flexibility around the levying of the premium together then this should allow for any circumstances where it would be inappropriate to charge empty homes premium. There are other available discounts and exemptions that may also cover particular circumstances where the premium would be inappropriate.

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?

There are potential significant administrative implications arising from such a policy as outlined in question 10

The definition of 'relevant person'

Question 16 - Do you agree that Section 66(2C)(a) should be amended along the lines suggested?

The Council agrees with the suggested amendment.

Payment by instalments

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)?

The Council does not believe that it is necessary to amend the current statutory instalment scheme. A standard 12 month instalment scheme could result in a significant cost to the Council through lost interest thus negating in part the additional revenue raised through other reforms in this paper. We also believe that it would adversely affect in-year collection rates.

Anecdotally we are told that many customers enjoy the notion of 2 'free' months however in circumstances where extra instalments are required to assist taxpayers in difficulties he has always been our policy to increase the number of instalments to 11 or 12.

Information to be supplied with demand notices

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)?

The Council believes that the current requirement to issue the requisite accompanying information to demand notices in paper form is unnecessary and contrary to the financial and green agendas that Council's and government are pursuing. The Council agrees that electronic publication of such information should be permitted in order to discharge the statutory duty.

'Rent a Roof' solar PV installations on domestic properties

Question 19 - Do you agree that domestic scale solar photovoltaic installed on dwellings should be treated as part of those properties?

The Council agrees that domestic scale solar photovoltaic installations should be treated as part of the dwelling subject to the provisions outline in questions 20 below.

Question 20 - Do you agree that domestic scale solar photovoltaic should be defined as installations having a maximum generating capacity of 10 kW?

Yes

Annexes to dwellings

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?

If an annex is no longer used for the purpose which originally gave cause for it be charged separately from the main hereditament, then it would appear unfair for the owner to have to undo the physical alterations to the property, at potentially significant expense, to have it once again treated as a single dwelling.

Question 22 - Should the Government seek to make changes to these rules, and if so, what changes?

Yes. It is desirable that the rules take account of the actual use of such properties rather than purely the physical state of the dwelling.