


Sandwell Metropolitan Borough Council

5 March 2019

Subject:	Council Tax Award of Discount Policy 2019/20
Contribution towards Vision 2030:	
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DECISION RECOMMENDATIONS

That Council:

1. Approve the Council Tax Award of Discount Policy for 2019-2020.

1 PURPOSE OF THE REPORT

- 1.1 To seek Council approval of the Council Tax Award of Discount Policy for 2019-20.

2 IMPLICATION FOR SANDWELL'S VISION

- 2.1 The local discounts detailed in the policy intend to minimise the amount of unoccupied properties in the borough. The policy therefore links to ambition 7 – 'we now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key transport routes'.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 The Revenues and Benefits Policy Framework was improved by Cabinet on 6 February 2019 (Key Decision Ref. No. SMBC01/02/2019) and includes:

- Corporate Debt Recovery Policy
- Council Tax Award of Discount Policy
- Council Tax Discretionary Relief Policy
- Discretionary Housing Payments Policy
- Non Domestic Rates Discretionary Rate Relief Policy
- Local Welfare Provision Policy
- Non Domestic Rate Hardship Relief Policy
- Joint Policy for Establishing Eligible Support and Accommodation Charges
- Housing Benefit Overpayment Recovery Policy

3.2 There is a legislative requirement for the Council Tax Award of Discount Policy to be approved by Council.

3.2 The policy is reviewed on an annual basis to ensure it is fit for purpose and to take account of any legislative changes.

3.3 Legislation has now been passed which will allow councils to increase the Council Tax charged on long term empty properties. The policy has therefore been amended to include the following changes:

- From 1st April 2019 onwards, a 100% 'premium' will be applied for homes empty over 2 years, generating a Council Tax charge of 200%.
- From 1st April 2020 onwards, a 200% 'premium' will be applied for homes empty for over 5 years, generating a Council Tax charge of 300%.
- From 1st April 2021 onwards, a 300% 'premium' charge will be applied for homes empty for over 10 years, generating a Council Tax charge of 400%.

3.3 These changes have been assumed when calculating the Council Tax Base, which was approved by Cabinet on 12th December 2018 (Key Decision Ref. No. SMBC01/12/2018) and will increase the amount of collectable Council Tax for the borough.

4 THE CURRENT POSITION

4.1 The current policy allows for 150% charge to be applied for properties which have been empty for 2 years or more.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Consultation has been carried out with stakeholders and the public in respect of the changes made to the policy. The limited responses received do not warrant any amendments.

6 ALTERNATIVE OPTIONS

- 6.1 There are no alternative options.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The Council Tax Award of Discounts Policy generates additional income for the council through Council Tax collection. This additional income has been taken into account when calculating the Council Tax Base for 2019/20.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Council Tax Award of Discount Policy complies with appropriate legislation to allow the Council to set locally prescribed levels of discounts for empty domestic properties.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 Not required.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 Not required.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 Not required.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 The changes to the policy will increase income for the Council and are in accordance with changes in legislation.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 No impact.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 No impact.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The changes to the Council Tax Award of Discounts Policy are in accordance with changes in legislation which come into effect from 1st April 2019, 1st April 2020 and 1st April 2021.

15.2 The changes will increase the amount of collectable Council Tax and discourage owners from leaving properties unoccupied.

16 BACKGROUND PAPERS

16.1 None

17 APPENDICES:

Appendix 1 Council Tax Award of Discount Policy

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