

COUNCIL MEETING – 22 DECEMBER 2003

RECOMMENDATION TO COUNCIL **COUNCILLOR WILLIAMS – LEADER OF THE EXECUTIVE**

Council Tax on Second Homes

The Local Government Act 2003 has introduced new freedoms to Local Authorities regarding the amount of discount offered on Council Tax on second homes and long-term empty properties.

The new legislation states that any additional income raised by reducing the discount offered on second homes should be shared by the billing authority (TDBC) and the two main precepting authorities (Somerset County Council and Avon and Somerset Police Authority) in proportion to the amount levied via the Council Tax Bills.

Somerset County Council have suggested that all Somerset Authorities should earmark any additional revenue raised by this change of policy for investment in schemes within the billing authorities area. This could be done by giving first priority to any plans put forward by the Local Strategic Partnership and/or the Local Crime and Disorder Partnership. It will be possible for any of the three major precepting authorities involved to suggest and promote individual schemes but this will be done via the local strategic partnership.

The County Council have approved this proposal but confirmation is awaited from the Avon and Somerset Police Authority.

Long-term empty homes for Council Tax purposes includes properties which have been empty and unoccupied for six months or more or, where they require major repairs, 12 months or more. The legislation gives Local Authorities the freedom to decide whether discounts should be applied to these properties. Currently, long-term empty homes receive a 50% discount once the period of exemption expires. The Act allows authorities to reduce or remove that discount.

Reducing or removing the discount for long-term empty homes will not generate any additional income as the additional amount charged will be offset by a reduction in Revenue Support Grant. It is proposed, therefore, that no reduction be made in the level of discount currently applied to long-term empty properties.

It is therefore RECOMMENDED that:-

- (1) 90% of the full Council Tax on second homes be applied instead of the present 50%; and
- (2) the additional income raised be delegated to the Taunton Deane Local Strategic Partnership for decisions on how it would be spent.

Councillor J. R. Williams