

Report of the Portfolio Holder for Resources and Personnel Policy**COUNCIL TAX PROPERTY LEVY****1. Purpose of Report**

To enable Cabinet to see the proposed Legislation changes in respect of Council Tax Property Levy from 1 April 2024

2. Recommendation

Cabinet is asked to NOTE the contents of the report.

3. Detail

In February 2020, Members approved the increase in Council Tax Empty Property Levy. The increase in the Empty Property Levy resulted in the following additional charges being applied to Council Tax Accounts in which the property had been empty for a number of years. These were:

- Adopt an empty property levy at 100% for dwellings that have been vacant for more than two years from 1 April 2020.
- Adopt an empty property levy at 200% for dwellings that have been vacant for a period of five or more years from 1 April 2020.
- Adopt an empty property levy of 300% for dwellings that have been vacant for ten or more years from 1 April 2021.

The Government recently announced the Levelling Up and Regeneration Bill which is still awaiting Royal Assent. Section 75 addresses Long Term Empty Properties by amending the initial period at which point Councils can place the 100% levy from two years down to one year. This amendment would allow Councils to implement this change from 1 April 2024. The appendix provides an analysis of the potential impact of the amendment. However, it must be noted that this aspect fluctuates so should only be used for illustrative purposes.

In addition, Section 76 of this bill will provide Councils with new powers to charge an additional 100% Levy to properties in their borough that are second homes. This change will also be applicable from 1 April 2024. However, the increased charge on Second Properties requires the Council to determine this change one year before the beginning of the financial year to which it relates. The appendix provides an analysis of the potential impact of amending this change.

Whilst the changes will generate additional revenue, the primary focus is to bring empty homes back into use.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

A detailed breakdown of the increase in charges as a result of potential changes is provided in the appendix to this report. If both changes are implemented from 1 April 2024, the Council would be able to generate a potential additional Council Tax charge of £874,000, estimated based on the current position, of which this Council would be able to keep around £72,000.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

There are no direct legal implications that arise from this report.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Data Protection Compliance Implications

There are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. Background Papers

Nil.

APPENDIX

Potential Council Tax increase amending the long-term empty property period from two years to one yearEmpty over 1 year and under 2 years – Non-parish area

Property Band	Number of dwellings	Annual Council Tax Charge in 2022/23 (£)	Potential Increase in Council Tax Charge (£)	Broxtowe Share (£)
A	82	1,439.84	118,066.88	9,681.48
B	69	1,679.82	115,907.58	9,504.42
C	59	1,919.78	113,267.02	9,287.90
D	37	2,159.76	79,911.12	6,552.71
E	13	2,639.70	34,316.10	2,813.92
F	3	3,119.66	9,358.98	767.44
G	2	3,599.60	7,199.20	590.33
H	-	4,319.52	-	-
		Total	478,026.88	39,198.20

Potential Council Tax increase from amending the second property to include 100% levySecond Properties as of 14 February 2023 – Non-parish area

Property Band	Number of dwellings	Annual Council Tax Charge in 2022/23 (£)	Potential Increase in Council Tax Charge (£)	Broxtowe Share (£)
A	75	1,439.84	107,988.00	8,855.02
B	69	1,679.82	115,907.58	9,504.42
C	31	1,919.78	59,513.18	4,880.08
D	24	2,159.76	51,834.24	4,250.41
E	7	2,639.70	18,477.90	1,515.19
F	5	3,119.66	15,598.30	1,279.06
G	5	3,599.60	17,998.00	1,475.84
H	2	4,319.52	8,639.04	708.40
		Total	395,956.24	32,468.41