

Report of the Portfolio Holder for Resources and Personnel Policy

Council Tax Levy

1. Purpose of Report

Cabinet to approve the proposed changes to the levy that can be applied in Council Tax.

2. Recommendation

Cabinet is asked to RESOLVE that:

- 1. The adoption of an empty property levy at 100% for dwellings that have been vacant for more than one year from 1st April 2025, be approved.**
- 2. A property levy for those classified as Second Homes at 100% from 1 April 2026, be approved**

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 to:

- 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 announced the Levelling Up and Regeneration Bill. 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. It is being proposed to implement this change from 1 April 2025. **Appendix 1** 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.

The bill provides councils with new powers to charge an additional 100% levy to properties in their Borough that are second homes. The increased charge on Second Properties requires the Council to determine this change a minimum of one year before the beginning of the financial year to which it relates. In addition, the change has to commence from the beginning of a financial year, meaning the earliest possible implementation would be 1 April 2026.

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

4. Key Decision

Is this report a key decision as defined under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as it is significant in terms of its effects on communities living or working in an area comprising two or more Wards or electoral divisions in the Council's area

5. Updates from Scrutiny

Not applicable.

6. 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 the Council would be able to generate a potential additional Council Tax charge of £373,000 from April 2025 and an additional amount of £488,000 from April 2026, estimated based on the current position, of which this Council would be able to keep around £77,000.

7. Legal Implications

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

The Levelling Up and Regeneration Act 2023 (the Act) amends the Local Government Finance Act 1992 as follows:

Section 79 of the Act amends Section 11b of The Local Government Finance Act 1992 so that for financial years beginning on or after 1 April 2024 dwellings unoccupied and substantially unfurnished for a continuous period of at least one year, instead of two years, are subject to the council tax premium

Section 80 of the 2023 Act inserts a new Section 11(C) of The Local Government Finance Act 1992 giving the Council power, by determination, to charge a premium of 100% where there is no resident of a dwelling, and the dwelling is substantially furnished. In respect of both in exercising its functions under both section 11B and 11C the Council must have regard to any guidance issued by the Secretary of State

8. Human Resources Implications

Not applicable

9. Climate Change Implications

Not applicable

10. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

11. Equality Impact Assessment

As this is a change to policy an equality impact assessment is included in **Appendix 2** to this report.

12. Background Papers

Nil

Appendix 1

1. Estimated Council Tax increase amending the long-term empty property period from two years to one year

The net calculation has been adjusted to 70% of the total potential increase in charge. This adjustment has been made to accommodate potential changes in use and new legislation that allows greater flexibility to those making reasonable attempts to sell the property.

Empty properties over 1 year and under 2 years – Non-parish area

| Property Band | Number of dwellings | Current Council Tax Total 2024/25 (£) | Gross Potential Increase in Council Tax Charge (£) | Net Potential Increase in Council Tax Charge - 70% of Gross (£) | Broxtowe Share at 9% (£) |
|---------------|---------------------|---------------------------------------|--|---|--------------------------|
| A | 102 | 160,131 | 160,131 | 112,092 | 10,088 |
| B | 58 | 106,842 | 106,842 | 74,789 | 6,731 |
| C | 68 | 142,469 | 142,469 | 99,728 | 8,976 |
| D | 23 | 54,884 | 54,884 | 38,419 | 3,458 |
| E | 17 | 47,160 | 47,160 | 33,012 | 2,971 |
| F | 2 | 6,848 | 6,848 | 4,794 | 431 |
| G | 4 | 14,514 | 14,514 | 10,160 | 914 |
| H | - | - | - | - | - |
| | Total | 532,880 | 532,880 | 372,994 | 33,571 |

Potential Council Tax increase from amending the second property to include 100% levy

The net calculation has been adjusted to 90% of the total potential increase in charge. This adjustment has been made to accommodate potential changes in use.

Second properties as at 17 October 2024 – Non-parish area

| Property Band | Number of dwellings | Current Council Tax Total 2024/25 (£) | Gross Potential Increase in Council Tax Charge (£) | Net Potential Increase in Council Tax Charge - 90% of Gross (£) | Broxtowe Share at 9% (£) |
|---------------|---------------------|---------------------------------------|--|---|--------------------------|
| A | 79 | 113,903 | 113,903 | 102,513 | 9,226 |
| B | 93 | 153,796 | 153,796 | 138,417 | 12,457 |
| C | 80 | 152,020 | 152,020 | 136,818 | 12,314 |
| D | 18 | 39,874 | 39,874 | 35,886 | 3,230 |
| E | 13 | 36,378 | 36,378 | 32,740 | 2,947 |
| F | 5 | 17,439 | 17,439 | 15,695 | 1,413 |
| G | 6 | 23,802 | 23,802 | 21,422 | 1,928 |
| H | 1 | 4,847 | 4,847 | 4,362 | 393 |
| | Total | 542,059 | 542,059 | 487,853 | 43,907 |

Appendix 2**Equality Impact Assessment**

The Equality Act 2010 replaces the previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with it. It also strengthens the law in important ways, to help tackle discrimination and equality. The majority of the Act came into force on 1 October 2010.

Public bodies are required in it to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited under the Act
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, and
- foster good relations between people who share a protected characteristic and people who do not share it.

The public sector Equality Duty came into force on 5 April 2011. The duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, delivering services and in relation to their own employees.

The Equality Duty encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

The new equality duty replaces the three previous public sector equality duties, for race, disability and gender. The new equality duty covers the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – including lack of belief
- sex
- sexual orientation.

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

The Council has also decided to treat people who have care experience as if they had a protected characteristic under the law.

Having due regard means consciously thinking about the three aims of the equality duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies, including how they act as employers, how they develop, evaluate and review policies, how they design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to advance equality of opportunity involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics
- meet the needs of people with protected characteristics, and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

Complying with the equality duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore take account of disabled people's impairments when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they considered the aims of the Equality Duty. Keeping a record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

It is recommended that assessments are carried out in respect of new or revised policies and that a copy of the assessment is included as an appendix to the report provided to the decision makers at the relevant Cabinet, Committee or Scrutiny meeting.

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary.

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration to the Equality Duty where a policy or function has the potential to have a discriminatory effect or impact on equality of opportunity, and less consideration where the potential effect on equality is slight. The Equality Duty requires public bodies to think about people's different needs and how these can be met.

EQUALITY IMPACT ASSESSMENT (EIA)

| | | | |
|--|------------------------|--|---------------------------------|
| Directorate: | Deputy Chief Executive | Title of the Lead Officer responsible for EIA | Council Tax Exemptions and Levy |
| Name of the policy or function to be assessed: | | Council Tax Exemptions and Levy | |
| Title of the Officer undertaking the assessment: | | Head of Revenues, Benefits and Customer Services | |
| Is this a new or an existing policy or function? | | Existing | |
| <p>1. What are the aims and objectives of the policy or function?</p> <p>The aim of the function is to promote empty properties being brought back in to use and deliver on reducing the housing shortage.</p> | | | |
| <p>2. What outcomes do you want to achieve from the policy or function?</p> <p>A reduction in the number of properties that remain empty for long periods of time.</p> | | | |
| <p>3. Who is intended to benefit from the policy or function?</p> <p>With an increase in the number of properties available for occupation all areas of the community will benefit.</p> | | | |
| <p>4. Who are the main stakeholders in relation to the policy or function?</p> <p>Residents of the Borough Home owners with properties in the borough that have been empty for more than 1 year. Second home owners in the borough.</p> | | | |
| <p>5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?</p> | | | |

| Directorate: | Deputy Chief Executive | Title of the Lead Officer responsible for EIA | Council Tax Exemptions and Levy |
|---|------------------------|---|---------------------------------|
| <p>The data held within Council Tax only identifies the name of the liable person for Council Tax and whether the property is empty, and for how long, or if it is deemed a second property.</p> <p>The data identifies 274 properties that have been empty for more than one year but under the current two year period in which a Levy is applied.</p> <p>The data also identifies 295 properties in the borough that are classed as second properties.</p> | | | |
| <p>6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?</p> <p>The data provides the liable person for Council Tax.</p> | | | |
| <p>7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?</p> <p>N/A</p> | | | |
| <p>8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways? In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:</p> | | | |
| <p><input type="checkbox"/> Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified?</p> <p>No</p> | | | |
| <p><input type="checkbox"/> Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?</p> <p>Yes</p> | | | |
| <p><input type="checkbox"/> Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?</p> <p>No</p> | | | |
| <p><input type="checkbox"/> Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?</p> <p>N/A</p> | | | |

What further evidence is needed to understand the impact on equality?

N/A

9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?

Age: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Disability: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Gender: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Gender Reassignment: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Marriage and Civil Partnership: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Pregnancy and Maternity: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Race: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Religion and Belief: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Sexual Orientation: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

Care Experience: The Council will retain discretion to remove any appropriate levy depending on the liable person circumstances

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.

Signature: P Sudlow