



## Amendment

**Date:** 21 February 2024

### **Agenda Item No. 7: Changes to Council Tax Discounts and Premiums**

**Amendment Proposer:** Councillor Stuart Wilson

**Amendment Seconder:** Councillor Robin Stuchbury

#### ***Amendment wording:***

“This Council notes that:

- Buckinghamshire faces considerable pressure on housing in line with the wider national picture. In turn, this puts pressure on Buckinghamshire Council to facilitate the delivery of new housing at all levels of the market, including more affordable housing, as well as providing infrastructure and additional public services. The negative impact of an increase in second home ownership can be measured in terms of the supply of homes available to meet local housing need. Second homes can also result in residents being priced out of the housing market in certain situations. The rationale behind increasing council tax on second homes is to encourage lower levels of second home ownership or to increase contributions for those who continue to own second homes to help fund vital local services.
- At the Full Council meeting on the 22 February 2023 the Council made the decision to remove the 10% discount on second homes to help encourage the active occupation of properties as a primary residence in Buckinghamshire. This covered 753 homes at that point resulting in approximately £157k to the Council and £27k to other preceptors. From 1st April 2023 there was no discount available for second homes outside of approved exemptions.
- On 26 October 2023, The Levelling-Up and Regeneration Act 2023 (LURA) received Royal Assent and Section 73 of The Act provides councils the discretion to charge additional council tax of up to 100% on all residential dwellings which are occupied periodically, substantially furnished and no one is resident for council tax purposes i.e. second homes.
- Under Section 73(2)(3), any decision to increase the council tax on second homes must be made at least one year prior to the beginning of the financial year from which it relates, hence can only take effect from 1st April 2025 at the earliest. Should

Council agree the recommendation, a notice will be published in a local newspaper within 21 days of the decision date.

- Cabinet (February 13<sup>th</sup> 2024) recommends this Full Council today makes a Change to Council Tax Premiums and Discounts on empty homes to incentivise bringing homes back to the market and enable the Council to reinstate planned cuts previously noted in the initial draft Budget.
- The Council also faces considerable financial pressure over the course of the MTFP requiring it to propose an increase in Council Tax of 4.99% allowed before a referendum is required.
- Some neighbouring councils, such as Wokingham Borough Council, Slough Borough Council and Milton Keynes City Council, are choosing to update their second homes premium in accordance with the discretion provided by the LURA as part of their Budget processes. Others have yet to publish their position.

This Council further notes that:

- Based on information provided by the Finance team (reviewed by the s151 Officer and Deputy Chief Executive), there are 718 second homes equating to 852.8 Band D equivalent dwellings that would qualify for a second home premium for council tax.
- Based on a Band D council tax of £1842.03, this would generate incremental gross receipts of approximately £1.571m.
- When adjusted for the Council Tax collection rate of 98.4% proposed in the MTFP, this reduces to £1.546m.
- The s151 Officer has proposed a further prudent discount of 25% to account for a potential reduction in the number of second homes and Government exemptions as yet unspecified. This results in incremental net receipts of approximately **£1.159m from April 1<sup>st</sup> 2025**.
- The benefit to other preceptors would be approximately £0.2m based on the current 84:16 ratio split.
- The additional receipt could allow the Council to:
  - reinstate cuts to planning enforcement in 2025/2026 and 2026/2027 (£300k)
  - introduce an additional cycle of weed spraying (£230k)
  - reinstate voluntary and community sector funding (£50k)
  - partially reinstate Community Board funding (£579k)

This Council agrees to amend the motion as follows:

### **Recommendations: (page 7)**

Recommendations 1-3 unchanged.

Then to insert the words:

**(4) Council is asked to APPROVE the introduction of a 100% Council Tax premium on second homes effective from 1st April 2025.**