



**REPORT OF:** Executive Member for Resources  
**TO:** Council  
**DATE:** 29<sup>th</sup> February 2016

**PORTFOLIO/S AFFECTED:** All

**WARD/S AFFECTED:** All

**SUBJECT: Changes to Council Tax empty property discounts**

### 1. PURPOSE

The Local Government Finance Act 2012 gave Local Authorities increased flexibility over amount of discount that could be awarded on certain empty properties. In April 2013 the council made changes to second homes and unoccupied properties, however, the 100% discount currently offered to properties in need of major repair work or structural alteration was not amended.

This report proposes that with effect from 1<sup>st</sup> April 2016, properties categorised as being in need of major repair or structural alteration have the discount reduced from 100% to 50% for the full 12 month period.

### 2. RECOMMENDATIONS

The Council approves the proposed change in discount awarded to properties in need of major repair work/structural alteration.

### 3. BACKGROUND

Following the Government granting greater flexibility on the discounts awarded to empty properties in 2013, the Council introduced a number of changes to certain categories in the Borough. Following due consultation with members and residents of the Borough, the discounts for second homes was reduced to nil, whilst empty and unfurnished properties had the 100% discount reduced from six months to three months, after which a 0% discount was awarded.

In addition, for those properties that remain unoccupied for more than two years a premium charge was introduced which resulted in a 150% charge for the property.

The last category of property to be reviewed for possible amendment is those in need of major repair work or structural alteration. Currently these properties are entitled to 100% discount for 12 months.

### 4. KEY ISSUES

In addition to the increased revenue raised by this change, it is also anticipated that the reduction in

discount will provide a further incentive for owners to complete any building works required and get the property back into use. All properties that are brought back into use and subsequently occupied also contribute to new homes bonus payments the council receives.

All owners that are affected by this change will be issued with a letter in early March notifying them of the change.

#### **5. POLICY IMPLICATIONS**

As this proposed policy change will take effect from the 1<sup>st</sup> April, all council tax payers affected will receive appropriate notification and a new bill in March prior to commencement of the change.

#### **6. FINANCIAL IMPLICATIONS**

Whilst it is extremely difficult to predict the number of properties that might apply for this particular discount in 2016/17, based on the previous year, it is expected that an additional £90,000 Council Tax income would be raised.

#### **7. LEGAL IMPLICATIONS**

The Local Government Finance Act 2012 (amending the Local Government Finance Act 1992) has granted the discretion to amend the discount awarded to properties in need of major repair or structural alteration.

#### **8. RESOURCE IMPLICATIONS**

There are approximately 250 properties receiving the current 100% discount. With appropriate communications due to be issued prior to the new year billing period, it is unlikely that this change will have a noticeable impact on the current workloads.

#### **9. EQUALITY AND HEALTH IMPLICATIONS**

**Please select one of the options below. Where appropriate please include the hyperlink to the EIA.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3  In determining this matter the Executive Board members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

#### **10. CONSULTATIONS**

A full consultation was conducted in 2013 following the Government's introduction of Council Tax Support scheme and the granting of the flexibility over discounts for empty properties. The majority of respondents to the consultation exercise agreed that additional council tax should be raised through the reduction of empty property discount.

#### **11. STATEMENT OF COMPLIANCE**

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered as detailed

in the attached briefing paper. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

**VERSION:** 1.0

**CONTACT OFFICER:** Andy Ormerod

**DATE:** 29th February 2016

**BACKGROUND  
PAPER:**

