



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Finance and Governance
LEAD OFFICERS:	Strategic Director of Finance & Resources
DATE:	17 March 2023

PORTFOLIO/S AFFECTED: Departments

WARD/S AFFECTED: (All Wards);

SUBJECT: Council Tax Empty Property Policy 2023/24

1. EXECUTIVE SUMMARY

To assist with the budget challenges the Council faces a full review of the Council Tax empty property policy was undertaken. After a thorough consideration of the options it was agreed that the following changes to the policy would be proposed for implementation on 1st April 2023.

- For empty properties the 100% discount would be reduced to 30 days from the current 2 months, and;
- For empty properties undergoing or in need of major repair the discount would be reduced to 25% for 12 months, from the current 50%.

The reduction in the period of time an empty and unfurnished property will be entitled to a 100% discount and the reduction in the amount of discount awarded to properties undergoing or in need of the major repair is intended to provide a further incentive for owners to let properties or complete any building works required. It is anticipated that this incentive will provide an increased supply of properties to the market and contribute additional revenue via increased Council Tax and the new homes bonus payments the Council receives.

2. RECOMMENDATIONS

That the Executive Member:
Approves the policy changes to the Council Tax empty property charges.

3. BACKGROUND

Since 2016 there have been a number of changes made to the discount that is applicable on empty properties in the borough. On the 1st April 2016 the Council reduced the period of time a 100% discount would apply to empty properties from 6 months to 3 months. The discount was also further reduced to 2 months from the 1st April 2021.

The discount for properties undergoing or in need of major repair was also reduced from 1st April 2016, from a 100% discount for a 12 month period to 50%.

The gradual approach over a number of years to reducing the discount applicable to empty properties has ensured that existing Council Tax payers have only been affected incrementally, thereby allowing time to adapt to the increase in the charge, whilst additional income has been generated for the council's budget challenges.

The new proposal provides for a further reduction in the discount awarded to empty properties which will in turn provide a significant amount additional Council Tax income.

4. KEY ISSUES & RISKS

4.1 Statutory exemptions

Whilst the proposed changes to the empty property discounts will affect a significant number of properties during a financial year, there are still a number of statutory exemptions that still apply to some empty and unoccupied properties. A number of the exemptions apply to vulnerable groups who will therefore be protected from the reduction in the discount and the subsequent increase in Council Tax charge. These include:

- Where the liable person has gone to live in a care/nursing home and left the property empty
- Where the person is living elsewhere to receive care
- Where the liable person has died
- Where the liable person is in prison

4.2 Customer engagement

All owners that are affected by the decrease in empty property discounts will be notified via letter or email in mid-March prior to issue of the new bill.

In order to notify all potential owners of the change in the policy, amendments will be made to the Council Tax leaflet and Council website.

4.3 Risks

Any change to empty property discounts that increase the amount Council Tax charged may result in attempted avoidance by some individuals. To combat this the Council Tax team will continue to proactively challenge any suspected avoidance. This will include the option to internally inspect properties to verify claims, and the continued regularly inspection all empty properties.

5. POLICY IMPLICATIONS

The full policy guidelines are outlined in Appendix A.

6. FINANCIAL IMPLICATIONS

The policy changes outlined in this report will generate an increase in the amount of Council Tax raised from empty properties.

The proposed reduction in the length of time an empty and unfurnished property will receive the 100% discount will realise an estimated additional £189.3k in collectable Council Tax. The reduction in discount for properties undergoing or requiring major repair discount will raise an estimated additional £83.6k.

7. LEGAL IMPLICATIONS

The legal provision for a Council to use discretion on the amount of discount applicable to empty properties is contained within the Local Government (as amended) and its associated regulations.

8. RESOURCE IMPLICATIONS

Any additional work required from the changes listed in the policy document will be undertaken within existing resources.

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

None.

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. 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
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CONTACT OFFICER:	Andy Ormerod
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BACKGROUND PAPER:	
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