

Report to:	Cabinet	Date: 17 November 2021
Subject:	Council Tax Empty Properties	
Report of	Leader and Cabinet Member for Finance and Growth	

Summary

1. This report seeks approval to consult on a proposal to remove the Council Tax discount given to empty properties and the second homes discount with effect from 1 April 2022.

Recommendation(s)

2. To agree that a public consultation commences on 22nd November 2021 to 3rd January 2022 to seek the views of the public on this proposal.
3. To note that the outcome to this consultation with will be reported to Cabinet in January 2022.

Reasons for recommendation(s)

4. In April 2013, Government gave local authorities power to determine the level of empty property discounts in dwelling classes B, C and D (Section 12 of the Local Government Finance Act 2012).

Alternative options considered and rejected

5. The Empty Property Council Tax Discount Scheme could remain at 100% for the 1st Month, 25% for months 2-6. Properties undergoing major refurbishment could continue to attract a discount of 50% on its council tax for a period of 1 year.

Report Author and Contact Details:

Name: Jo Knight

Position: Deputy Director Finance

Department: Core - Finance

E-mail: j.knight@bury.gov.uk

Background

6. In August 2021 Bury had 1,841 homes which were not only empty but were attracting a Council Tax discount of £784,368. These homes ranged from starter homes at band A, family homes and included some of the more expensive properties within the district at band H.

7. The council has a strategy of bringing back long-term empty homes back into use at the earliest opportunity. The return of long term empty homes back into the community will not provide the complete solution for the demand for homes within the area, but it will play a part in its solution reducing pressure on the existing housing stock. A new level of charges should help encourage the reintroduction of long term empty properties in to meaningful usage. Empty homes have a detrimental impact on surrounding areas and can lead to anti-social behaviour in the vicinity of empty properties.
8. It is proposed to consult with the public and stakeholders to remove the current discount. The outcomes of the consultation will be reviewed and will be reported to Members. A full equality impact assessment of the proposal will be carried out and return to Cabinet with the consultation outcomes.

Current Discounts

9. There is a current discount given of 100% in the first month a property is empty (section B), 25% following the 1st month and up to 2 years (section C). Properties undergoing major works are able to claim a 50% discount for a period of 1 year (Section D).
10. Other GM authorities have reduced the discounts in recent years and majority now offer no discount on empty properties.

	No of properties	Discounts attracted
2nd Homes	240	£97,994
Empty Properties	1454	£558,764
Major works	147	£127,610
Total	1841	£784,368

Proposed changes

11. To consult with members of the public on a proposal to remove all discounts for empty properties. This proposal is in line with other GM authorities who have adopted this position.

Links with the Corporate Priorities:

12. Let's do it strategy - Economic recovery and regeneration.
13. Expanding neighbourhood teams.

Equality Impact and Considerations:

14. This proposal does not adversely affect equality.

15. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

16. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
There would be a risk that it would be harder to collect council Tax from absent owners	A clear policy informing homeowners of the requirements and a reduction in the number of changes of rates would reduce the number of interactions and rate changes.
The increase in the number of homes within the area could help relieve pressure on the current housing requirement	An increase in homes would lead to an increase in Council Tax collected which is then available to be spend on the community. Encouraging new home tenants to be part of our community, encouraging economic development and regeneration.

Legal Implications:

It is proposed to carry out a public consultation, all consultations need to be carried out in accordance with the Gunning principles. The consultation must take place at a time when the proposals are still at their formative stages. The Council must provide the consultees with sufficient information to enable them properly to understand the proposals being consulted upon and to express a view in relation to it. The information must be clear, concise, accurate and must not be misleading. The consultees must be given adequate time to consider the proposals and to respond. As part of its decision-making process, the Council must have "due regard" to its equalities duties. Under Section 149 Equality Act

2010. It is proposed that the consultation outcomes will be considered and a further report will come to Cabinet in January 2022.

Financial Implications:

The removal of the existing discretionary discounts on empty properties would generate additional income for the council of approx. £750,000 per annum which could then be used to support essential council services.

Background papers:

Bury Empty Homes Strategy -

<https://www.bury.gov.uk/CHttpHandler.ashx?id=22243&p=0>