

Report of	Meeting	Date
Director of Customer and Advice Services	Council	4 September 2014

PROPOSED CONSULTATION ON A CHANGE TO THE COUNCIL TAX LOCAL DISCOUNTS AND EXEMPTIONS POLICY

PURPOSE OF REPORT

1. To gain approval for consultation on a proposed change to the Council Tax Local Discounts and Exemptions Policy for some properties which have been empty and substantially unfurnished for more than 24 months.

RECOMMENDATION(S)

2. Members are recommended to approve consultation on a change to the Council Tax Local Discount & Exemptions Policy effective from 1 April 2015, as follows:

Provide for an exception to the charge of a 25% premium for properties which have been empty and substantially unfurnished for more than 24 months where the new owner(s) inherits this charge **and** where the property is actively being marketed for sale in line with average prices within the local area.

3. The exception is effective from the date the property is marketed for sale for a maximum period of 6 month, after which the 25% premium would reapply.

EXECUTIVE SUMMARY OF REPORT

4. This report sets out a proposed change to the council tax local discounts and exemptions policy in a specific circumstance for some properties which have been empty and substantially unfurnished for more than 24 months.
5. A copy of the proposed policy is attached at Appendix A.
6. The proposed change will be effective from 1 April 2015 for properties that meet the criteria.
7. This report also includes why the proposed changes cannot take effect immediately and recommends a consultation exercise.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

8. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

9. From 1 April 2013 local authorities (LAs) have discretion to charge a premium of up to 50% for properties that have been unoccupied and substantially unfurnished for more than 24 months.
10. In January 2013, following a consultation exercise members agreed a charge of 25% in these circumstances. Further information is attached at Appendix B & C.
11. In May 2013 the Department for Communities and Local Government (DCLG) issued council tax empty homes premium guidance to LAs for properties for sale or to let. The guidance suggested the state of the housing market should be reflected in LAs decision making process when administering the premium and is attached at Appendix D.
12. No further changes were agreed in view of the guidelines. However, in light of customer feedback a review of the policy has been undertaken and it is considered reasonable to make changes to remove the 25% premium for long term empty properties where the new owner is taking positive steps to sell the property.
13. The premium of 25% would not be charged for a maximum period of 6 months from the date the property is marketed for sale.
14. Changes to the Council Tax Local Discounts and Exemptions are prohibited during the financial year.
15. In line with previous changes to Council Tax Discounts and Exemptions it is recommended that a consultation exercise is completed to establish the views of a selection of Chorley's Council Tax payers.

FINANCIAL IMPLICATIONS

16. It is difficult to estimate the financial implications of this change in policy. This is due largely to the absence of information in respect of properties currently marketed for sale where the long term empty premium applies.
17. On 1 August 2014, 214 properties were subject to the long term empty premium charge. Assuming 100% of this group of properties are currently for sale, which is unlikely, the potential annual loss based on the average Band D charge would be in the region of £39,049.14. This equates to £3,904.91 in revenue in respect of Chorley Council's precept.

IMPLICATIONS OF REPORT

18. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	✓
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

19. There are no financial implications as the recommendation, at this stage, is to undertaking a consultation process in respect of amending the policy.

COMMENTS OF THE MONITORING OFFICER

20. The proposal is within the Council's powers contained in Section 11B of the Local Government Finance Act 1992. The DCLG Guidance referred to in the report is non-statutory and it is for Chorley Council to decide whether or not to make the policy change. However it is reasonable to have regard to the DCLG guidance and to conditions in the local housing market.
21. Under Section 11B of the 1992 Act the Council may make a determination varying or revoking a determination for a financial year, but only before the beginning of the year.
22. The Council must publish a notice in at least one newspaper circulating in its area and do so before the end of the period of 21 days beginning with the date of the determination.

LESLEY-ANN FENTON
DIRECTOR OF CUSTOMER AND ADVICE SERVICES

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Alison Wilding	5438	22 August 2014	Proposed consultation on a change to the council tax local discounts and exemptions policy