

**Wiltshire Council**

**Cabinet**

**15 March 2016**

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**Subject:** **Clarification of change to council tax discounts on properties that have been unoccupied and unfurnished properties for two years**

**Cabinet member:** **Councillor Richard Tonge, Finance**

**Key Decision:** **Yes**

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**Executive Summary**

On 15<sup>th</sup> September 2015 a report was brought to Cabinet proposing a number of changes to the treatment of unoccupied and unfurnished properties for the purposes of charging council tax. Most of the changes were straightforward with the changes effective from 1<sup>st</sup> April 2016.

The report included a proposal to charge a levy of 50% of the Council Tax due on property which had been unoccupied and unfurnished for more than two years to encourage owners to bring them back into use.

This report clarifies the treatment of long term unoccupied and unfurnished properties.

**Proposals**

- That the levy is introduced for the year 2016/17, but collection be effective from 1st October 2016 for properties that have been unoccupied and unfurnished since 1st October 2014.
- That the time between the approval of this report and October 2016 is used to communicate and inform the owners of these properties.

**Reasons for Proposals**

- The council should employ the freedoms given to local authorities through the introduction of The Council Tax (Exempt Dwellings) (England)(Amendment) Order 2012, to tackle the issue of the issue of property left unoccupied and unfurnished for more than two years.

**Carolyn Godfrey**  
**Corporate Director**

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**Clarification of change to council tax discounts on properties that have been unoccupied and unfurnished properties for two years**

**Purpose of Report**

1. To clarify the effective date of the application of the levy.

**Background**

2. Freedoms were given to local authorities through the introduction of The Council Tax (Exempt Dwellings) (England)(Amendment) Order 2012, which enabled changes to the treatment of unoccupied property for the purposes of levying council tax.
3. The initial findings suggested that around 450 properties in Wiltshire had been empty for more than 2 years however subsequent analysis revealed potentially 700 such dwellings would be subject to the levy.
4. Whilst the proposals were agreed by Cabinet in September, the report proposed that the changes to introduce a levy be implemented with effect from 1st April 2016. The report was not clear on the issue of whether the levy would take effect from 1st April 2016 on properties that had already been unoccupied and unfurnished for two years or more. When the owners of these properties were identified and contacted some referred to the report and to accompanying minutes which suggested that the levy would not take effect until April 2018.

**Safeguarding Implications**

5. None

**Public Health Implications**

6. None

**Corporate Procurement Implications**

7. None

**Equalities Impact of the Proposal** (detailing conclusions identified from Equality Analysis, sections 4 and 5)

8. A full assessment is not required as this new proposal will not affect any specific group. Should there be property owners or landlords who are classed as being on a low income the provision of advance communications and advice will reduce the impact of its introduction. No other protected characteristic group would be disproportionately impacted against because of the proposed changes.

## **Environmental and Climate Change Considerations**

9. None

### **Risk Assessment**

10. There is a reputational risk for the council if it is not seen to be proactive in its treatment of property that has been unoccupied and unfurnished properties for at least two years.

### **Risks that may arise if the proposed decision and related work is not taken**

11. See para 8.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

12. See para 8.

### **Financial Implications**

13. Whilst calculating the income that could be derived by charging a levy on empty properties is relatively easy the objective is to encourage owners to bring these properties back into use, some of which have been empty for more than 5 years. If they are unfit or incapable of habitation then they should be recorded as such and removed from the local valuation list.

### **Legal Implications**

14. There is no statutory requirement to consult on these proposals, however both section 11A of the Local Government Finance Act 1992 (which relates to discounts) and section 11B of the same act (which relates to higher amounts for long-term empty dwellings) contain the following notice requirement:

*'A billing authority which makes a determination under this section shall publish a notice of it 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.'*

15. Whilst changes to council tax payment arrangements normally come into effect at the start of a financial year, it is possible to delay implementation of a change until a later date in the year.

### **Options Considered**

16. Not to take the proposed action.

### **Conclusions**

17. Taking these steps will clarify the council's position regarding the reasons for charging a levy on empty and unoccupied property and bring clarity as to when the levy will be imposed.

**Carolyn Godfrey**  
**Corporate Director**

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2<sup>nd</sup> February 2016