

Wiltshire Council

Cabinet

Date of meeting **15th March 2016**

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**

Executive Summary

On 15th September 2015 a report was brought to Cabinet (LINK) 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 1st April 2016

The report included a proposal to charge a levy on property which had been unoccupied and unfurnished for more than two years to encourage owners to bring them back into use. The report was silent on the effective date of this proposal.

This report clarifies the treatment of long term unoccupied and unfurnished dwellings and recommends that where records indicate that the property had been treated as continuously unoccupied and unfurnished for the preceding 24 months, it is subject to an additional levy equating to 50% of the council tax due.

Proposals

- That a council tax levy is introduced to domestic property which has been recorded as unoccupied and unfurnished for the last 24 months. This levy to be applied after the 24 months has expired.
- That the levy equates to 50% of the council tax due
- That the change is 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 dwellings.

1. Purpose of Report

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

2. Background

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.

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.

Whilst the proposals to remove discounts on empty property were agreed by Cabinet, the original report proposed that the changes be implemented with effect from 1st April 2016. The report was however silent on the issue of whether the levy would take effect from 1st April 2016 on homes 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.

5. Safeguarding Implications

4. 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 who are classed as being on a low income, the provision of advance communications and advice will reduce any 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 dwellings for at least two years.

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

11. See para 10.

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

12. See para 10.

Financial Implications

13. 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 this is successful there will be minimal income from the levy. If the properties 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.’

Options Considered

15. Not to take the proposed action.

Conclusions

16. This report will bring clarity as to when the levy will be due.

Carolyn Godfrey
Corporate Director

Report Author:

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2nd February 2016