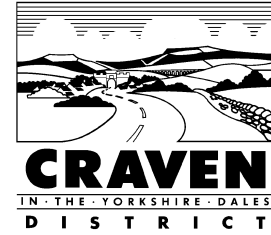


## Policy Committee – 19<sup>th</sup> July 2016



### Council Tax Exemption for empty and unoccupied properties 2017/18 and beyond.

Report of the Corporate Head – Business Support

Lead Member – Councillor Dawson

**Presenting Officer – Revenues and Benefits Manager**

Ward(s) affected: All

- 1 **Purpose of Report** – To review options regarding the current council tax exemption for empty and unfurnished properties.
2. **Recommendations** – Members are recommended to:-
  - 2.1 Rename Class C exemptions “Craven DC empty and unfurnished property exemption scheme”.
  - 2.2 Approve option A, B or C as a preferred option for consultation;

<b>A</b>	Continue with the current policy of a maximum of 3 months
<b>B</b>	Reduce the maximum 3 months to a maximum of 1 month which can be applied to one liable party
<b>C</b>	Reduce the 3 months to a maximum of 1 month in total but to a maximum of 14 days for a liable party. Consecutive exemptions for different liable parties are permitted but limited to a maximum of 14 days each.

- 2.3 Authorised consultation on the Craven DC empty and unfurnished property exemption scheme to include that;

- a. There must be a minimum period of 6 months continuous occupation at a property by any liable party before a further exemption is permitted to that liable party who has already received an empty and unfurnished exemption at the same property.
- b. An empty and unfurnished property is defined as not having sufficient furniture or furnishings for the household to occupy it as its main and sole residence.

**3 Background**

- 3.1 Cravens Class C exemption policy as approved below has now been in place for 4 financial years. It is now prudent to review the scheme.
- 3.2 Council Policy meeting on 13/11/2012. POL.477 RECOMMENDED –
  - 1. That the 10% discount for second homes is removed and 100% council tax is charged.
  - 2. That a charge of 50% of the premium on properties that have been empty for 2 years or
  - 3. more is approved.
  - 4. That the Class A exemption is abolished.
  - 5. That Class C exemptions are limited to a maximum of 28 days.
- 3.3 Minute POL.477 was amended at a full Council meeting on 11/12/2012, Council Tax Technical Changes – proposals for the implementation of changes to Council Tax legislation
- 3.4 An amendment was moved and seconded that Recommendation (4) is amended to read “That class C exemptions are limited to a maximum of three months.” On being put to the vote the amendment was declared carried
- 3.5 Currently this means there is only one exemption available for unoccupied unfurnished and this is if the property is simply unoccupied and unfurnished or if the property is under going structural repairs.

**4 Caseload and expenditure - Listed in Appendix 1.**

**5 Options**

		Potential Additional Income to CDC
<b>A</b>	Continue with the current policy of a maximum of 3 months	£0
<b>B</b>	Reduce the maximum 3 months to a maximum of 1 month which can be applied to one liable party	£19,288
<b>C</b>	Reduce the 3 months to a maximum of 1 month in total but to a maximum of 14 days for a liable party. Consecutive exemptions for different liable parties are permitted but limited to a maximum of 14 days each.	£19,288

- 6 **Impact of the changes** - This depends on the option chosen. Appendix 1 contains the impact of each option.
- 7 **Future changes beyond 2017/18** - This exemption will be reviewed every 3 years as a minimum to ensure it is financially viable and reasonably addresses the needs of the district.
- 8 **Financial and Value for Money (vfm) Implications** - Additional Income options are listed in Appendix 1 as are comparisons with other local authorities.
- 9 **Legal Implications** - Local exemption schemes for empty and unfurnished properties are permitted under the Local Government Finance Act 2012.
- 10 **Contribution to Council Priorities** – This report supports the delivery of the Council's Financial Resilience priority.
- 11 **Risk Management** – Minimal risks are anticipated (i.e collection and disputes), however these will be closely monitored and managed.
- 12 **Equality Analysis** – Council Tax is a property taxation and is not aimed at specific groups of people, as a result an Equality Analysis has not been completed. National exemptions and discounts will remain in place
- 13 **Consultations with Others** – Full consultation, including with any major precepting authority, is required and will take place during August and September 2016.

**Author of the Report** – David Carré – Revenues and Benefits Manager  
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Note : Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

### **Appendices**

1. . Financial statistics based on 2015/2016.

### Appendix 1

## Empty and Unfurnished Council Tax exemption financial statistics based on 2015/2016

- (1) 2953 exemptions allowed amounting to £442629.  
Cost to Craven DC based on 9.58% is £42404.
  
- (2) 1359 exemptions exceeded 1 month.  
The period in excess of 1 month cost £201343.00.  
Cost to Craven DC based on 9.58% £19288 based on 9.58%.

Table to summarise effect of options based on 2015/16 exemptions

	Number of exemptions	Cost to Craven	Potential Additional Income to CDC
Option A Remain at 3 mths	2953	£42404	0.00
Option B Reduce scheme to 1 mth.	2953 – 1359 = 1594	42404 – 19288 = 23116	£19288
Option C* Reduce scheme to 1 mth but 14 days per liable party	2953 – 1359 = 1594	42404 – 19288 = 23116	£19288

Collection remains between 98 and 99% and there is no reason to believe that would be different if options 2 or 3 were introduced.

### Other local authority empty and unfurnished policies

- Bradford - 0% exemption
- Harrogate - 7 Days 100% discount then remaining six months 40% discount
- Leeds - 100% exemption if empty for 7 days or less. If empty more than 7 days then 0% exemption for whole period.
- Pendle - 0% exemption
- Rydale - 28 days at 100%
- Ribble - 100% exemption for 12 months
- Selby - 100% for first month followed by 20% for 5 months
- York - 0% exemption