

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 20 June 2022  
**Report for:** Decision  
**Report of:** Executive Member for Finance and Governance and the Director of Finance and Systems

### Report Title

**Council Tax Discretionary Schemes – Proposal to Consult on Changes**

### Summary

Council Tax liability charges are set based on legislative requirements. There are a number of statutory discounts that the Council is required to award, however, since April 2013, the statutory discounts were removed for certain empty properties and councils were required to set their own discretionary policies.

This report seeks approval to consult on a range of discounts related to unoccupied, empty properties included in the current discretionary policy to be more fit for purpose and to align with GM counterparts.

### Recommendation(s)

That the Executive gives approval to consult on proposed changes to the Council Tax Discretionary Scheme on Empty Property Charges from April 2023

Contact person for access to background papers and further information:

Name: Louise Shaw  
Contact Number: 07815 699615

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value For Money
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	Changes to the discretionary scheme will impact on the level of funding the council receives from council tax which is used to support the delivery of services.
Legal Implications:	The Council can legally set its own policy in relation to the discretionary discount changes proposed in this report
Equality/Diversity Implications	An EIA will run alongside the consultation exercise
Sustainability Implications	Not Applicable
Carbon Reduction	Not Applicable
Resource Implications e.g. Staffing / ICT / Assets	Potential increase in costs if individual discretionary applications increase
Risk Management Implications	Not Applicable
Health & Wellbeing Implications	Not Applicable
Health and Safety Implications	Not Applicable

## 1.0 Introduction

- 1.1 Council Tax liability charges are set based on legislative requirements. There are a range of statutory discounts that the Council is required to award, however, since April 2013, the statutory discounts were removed in certain areas and councils were required to set their own discretionary policies. Trafford Council has a range of discretionary schemes designed to help residents and businesses by reducing their Council Tax and Business Rates liability based on the individual circumstances of them or their property.
- 1.2 There are no central government grants covering the cost of these discretionary awards and therefore it is timely to review them firstly to make sure they are still appropriate and secondly given the context of the extremely challenging position facing the Council's overall budget.
- 1.3 Given the pressures following the Covid Pandemic and now with the rising cost of living it makes it more important in any review to minimise the impact on the most vulnerable residents and businesses. Therefore, it is not deemed appropriate at this stage to review the individual related discounts such as the Council Tax Support Scheme, care leavers and special constable Council Tax discounts or the Business Rates discretionary awards.
- 1.4 This report will therefore consider the empty property related discounts awarded to owners of unoccupied properties.

## **2.0 Council Tax Empty Property Discretionary Discounts – The Current Position**

2.1 Trafford currently awards the following discretionary discounts on empty and unfurnished properties:

- 100% discount for up to 1 month, including new properties;
- 100% discount for up to 12 months on properties requiring structural repairs or alterations to make it suitable to live in.

2.2 In 2021/22, the total amount of these awards cost the Council c£985k.

2.3 Once the discount period ends, the owner is responsible for the full charge. In line with the drive to bring empty properties back in to use, an empty homes premium applies after 2 years and the Council Tax charge increases to 200%, rising again at years 5 and 10. There are plans to change this within the Levelling Up and Regeneration Bill which received its first reading in May 2022.

2.4 Owners can apply for a further discretionary award once the discounts end if they can demonstrate exceptional circumstances as to why the property remains empty. A common example is retirement properties that are difficult to sell and the liable person can demonstrate continuous reductions in the sale price and where structural work has taken longer than anticipated due to delayed planning permission and/or further works identified once works begin. A provisional budget would need to be set aside if changes were to be made to allow for further awards of this nature.

## **3.0 Council Tax Empty Property Discretionary Discounts – The Consultation Proposal**

3.1 It is proposed to consult on removing both discretionary awards detailed above, thereby resulting in no discount to the owners of these empty and unoccupied properties. This position would align with a number of other GM districts. A summary of the position at other GM authorities is included at Appendix A.

3.2. The consultation would seek views on the removal of the empty discounts.

## **4.0 Public Consultation**

4.1 It is recommended that an online public consultation on the proposed changes takes place for 8 weeks putting forward the intended position and reasons why the Council is proposing this change. The link to the consultation will be circulated amongst the relevant landlord forums as well as be published on social media and the Council's website.

4.2 The results will be gathered and analysed and a report back to Executive in October 2022 with recommended proposals, if appropriate, to be introduced from 1 April 2023.

4.3 An equalities impact assessment will run alongside the consultation process.

**Other Options**

The Council could decide to leave the existing discretionary awards in place, however, this would potentially mean that savings would need to come from elsewhere which is more likely to have a more direct impact on vulnerable and/or financially struggling residents.

**Reasons for Recommendations**

The recommendations are set out at the start of this report.

**Key Decision:** No

**If Key Decision, has 28-day notice been given?** N/A

**Finance Officer Clearance**            **GB**

**Legal Officer Clearance**           **TR**

**DIRECTOR'S SIGNATURE** ..... *G. Bentley* .....

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

## Appendix A – GM Comparator on Empty Discounts – 2021/22

	<b>Unoccupied and Unfurnished Properties</b>	<b>Empty Uninhabitable/Major Works</b>
<b>TRAFFORD</b>	1st month 100% discount 2-6 months no discount	100% discount for up to 12 months
<b>Bolton</b>	No discount	No discount
<b>Bury</b>	1st month 100% discount, 2-6 months 25% discount	50% discount for up to 12 months
<b>Manchester</b>	No Discount	No Discount
<b>Oldham</b>	1st month 100% discount, 2-6 months 25% discount	50% discount for up to 12 months
<b>Rochdale</b>	1st month 100% discount, 2-6 months 25% discount	1st month 100% discount, 2-12 months 25% discount
<b>Salford</b>	0-2 months 50% discount 3-6 months no discount	10% discount for up to 12mths
<b>Stockport</b>	No discount	No discount
<b>Tameside</b>	No discount	No discount
<b>Wigan</b>	1st month 100% discount, 2-6 months 25% discount	75% discount for up to 12 months