

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 24 October 2022  
**Report for:** Decision  
**Report of:** Executive Member for Finance and Governance

### Report Title

**Council Tax Discretionary Schemes – Proposal to Remove Some Discretionary Empty Property Discounts from 1 April 2023**

### 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 remove some of the current discretionary empty property discretionary discounts from the 1 April 2023.

In addition, the report seeks approval to align future long term empty home premiums with the Levelling Up and Regeneration Bill changes as detailed in the report.

### Recommendation(s)

That the Executive gives approval to:

- Implement Council Tax Discretionary Scheme changes on the discretionary Empty Property Charges detailed in this report from April 2023;
- Introduce the maximum charge on long term empty properties subject to the outcome of the Levelling Up and Regeneration Bill

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 has been completed and concluded that there are no specific groups adversely affected, and the hardship scheme fund is being increased and made available to any groups that are suffering financial hardship as a direct result of the change.
Sustainability Implications	Not Applicable
Carbon Reduction	Not Applicable
Resource Implications e.g. Staffing / ICT / Assets	Potential increase in costs if individual discretionary applications increase significantly
Risk Management Implications	Not Applicable
Health & Wellbeing Implications	Not Applicable
Health and Safety Implications	Not Applicable

## 1.0 Introduction

- 1.1 As of 1 April 2013, local authorities have had the discretion to allow discounts on certain classes of Council Tax empty properties. Trafford Council offers a number of discretionary schemes designed to help residents by reducing their Council Tax based on the individual circumstances of them or their property.
- 1.2 As there are no central government grants covering the cost of these discretionary awards, which in 2021/22 cost the Council c£985k, it has been deemed appropriate to review them as the Council continues to meet stretching savings targets.
- 1.3 Subsequently, on 20 June 2022, the Executive approved the proposal to commence a public consultation on removing the following existing discretionary empty homes discounts from the 1 April 2023:
- 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.
- 1.4 The public consultation shortly followed and closed on 26 August 2022.

## **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 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 to 300% and 400% for properties empty for 10 years or more.

2.4 There are plans to change this within the Levelling Up and Regeneration Bill to allow Council's to charge 200% after 1 year rather than the current 2 years, which received its first reading in May 2022.

2.5 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. Another common example is where structural work has taken longer than anticipated due to delayed planning permission and/or further works identified once works begin.

## **3.0 Council Tax Empty Property Discretionary Discounts – Public Consultation**

3.1 The Council consulted on removing both of the additional discretionary awards detailed above, thereby resulting in no discount to the owners of these empty and unoccupied properties.

3.2. The consultation ran from the 1 July to 26 August and sought views on the removal of the empty discounts.

3.3 The overall response rate to the consultation was low, with 13 responses in total. Of these there was a mixed response with a number in favour and some against. Given the low response rate, it is difficult to properly inform a decision but based on the limited responses there was no overwhelming opposition to the proposals. Therefore, it is proposed to remove the discounts in order to support the Council's overall budget position and protect vital community services.

## **4.0 Proposal**

4.1 It is proposed to remove the discretionary discounts as described in paragraph 2.1 above from 1 April 2023.

4.2 It is proposed to implement the maximum long term empty property charges in line with any future legislation, such as proposed in the Levelling Up and Regeneration Bill.

**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:** Yes

**If Key Decision, has 28-day notice been given?** Yes

**Finance Officer Clearance**

**Graeme Bentley – Director of Finance and Systems**

**Legal Officer Clearance**

**Steven Boyle – Head of Legal & Governance**

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

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