

Cheshire West & Chester Council

Council Tax discounts and premiums consultation

Closing date
16 October



Visit: cheshirewestandchester.gov.uk



Cheshire West
and Chester

Overview

The Council is proposing to remove the discount offered to empty and unfurnished properties to deliver £1.4m of savings to help bridge the funding gap it faces in the period to 2019/20.

In the three years to 2019/20, government funding for Council services is reducing by £33.5m from 2016/17 levels. Cost pressures arising from increased demand on services and annual inflation mean that the Council is faced with a £42.6m funding gap over this period. In response, plans have been put in place to deliver £39.9m of the required savings through changes to service delivery, increased efficiency and generating additional income through Council Tax and Business Rates. Savings of £2.7m over the period are still to be identified; the Council believes that the removal of the discount given to owners of empty and unfurnished homes will deliver £1.4m of additional income in a way that limits the impact on a significant majority of Council Tax payers and residents.

We would like to know what you think about the proposal to remove this discount, as well as your views on other discretionary Council Tax discounts and premiums. Further details and the consultation questionnaire are provided below.

How to share your views

The consultation is open from 25 July 2017 to 16 October 2017. You can give us your views by:

- Completing online at www.cheshirewestandchester.gov.uk/consultations
- Printing the questionnaire and posting or emailing it back to us using the address details below

Other ways to take part:

Email: financialmanagement@cheshirewestandchester.gov.uk

By post: Research and Intelligence Team, Cheshire West and Chester Council, 4 Civic Way, Ellesmere Port, CH65 0BE

Telephone: 0300 123 8 123

Please quote **Council Tax discounts and premiums consultation** on any correspondence.

How your views will be used

The results of this consultation will be reported to key decision makers in November 2017 and will help to inform the Council's approach to discretionary Council Tax discounts and premiums.

Other ways of accessing information

Council information is also available in audio, braille, large print or other formats. If you would like a copy in a different format, in another language, or require a British sign language (BSL) interpreter, please contact:

Email: equalities@cheshirewestandchester.gov.uk

Telephone: 0300 123 8 123

Textphone: 18001 01606 275757

Background to the consultation

Council Tax is a tax on domestic properties which is charged and collected annually by local councils and used to fund local services such as policing, fire services, social care, road maintenance, waste collection and libraries.

Each domestic property is assigned to one of eight valuation bands (A to H) by a government department called the Valuation Office Agency. The band of a property is based on the value of the property at a point in time (currently 1 April 1991) and reflects a number of features including size, location and number of rooms. The average Cheshire West and Chester Council Tax charge for each band in 2017/18 including police and fire precepts but excluding parish precepts and any discounts or exemptions is as follows:

Band	Property value (at 1 April 1991)	Average 2017/18 Council Tax charge
A	£40,000 or less	£1,077.84
B	£40,001 to £52,000	£1,257.47
C	£52,001 to £68,000	£1,437.12
D	£68,001 to £88,000	£1,616.75
E	£88,001 to £120,000	£1,976.03
F	£120,001 to £160,000	£2,335.30
G	£160,001 to £320,000	£2,694.59
H	£320,001 or over	£3,233.50

The annual Council Tax relating to a property is payable by the 'liable person' – this is usually the occupier of the property, or the owner of the property if it is unoccupied. There are a variety of nationally set discounts, reductions and exemptions available which will affect the amount of Council Tax payable. Details of these can be found in Appendix 1.

In addition to these nationally set discounts, the Council operates a Council Tax Reduction Scheme for low income households. For more information about eligibility or to apply, please visit the Council website -

<https://www.cheshirewestandchester.gov.uk/residents/council-tax/about-council-tax-reduction/about-council-tax-reduction.aspx>.

The Council has discretion to award discounts or charge a premium in specific circumstances related to empty properties and second homes. These circumstances are the subject of this consultation and more detail is provided below.

What we are consulting on

- Empty and unfurnished homes

The Council has discretion to award any level of discount between 0% and 100% for a maximum period of 24 months. Currently the Council awards a discount of 100% for up to one month and 25% for up to a further 23 months in respect of empty and unfurnished homes. This Council is one of only eleven local authorities that offer a discount for the full 2 year period allowable. The cost to the Council of awarding this discount in 2016/17 was approximately £1.4m.

The Council's proposal is to remove the current discounts offered to empty and unfurnished homes with effect from 1 April 2018.

The majority of properties that are awarded this discount are owned by landlords and are only empty for short periods of time. In these cases the loss of discount in each individual instance will be relatively small. For example, a Band D property that is

empty and unfurnished for two weeks pending a new tenant moving in currently receives a discount of approximately £60. In those cases where the property is empty and unfurnished for a longer period, the Council believes that the removal of the discount will act as an incentive to bring the property back into use as quickly as possible and help to meet the key Council priority of ensuring good quality and affordable housing that meets the needs of our diverse communities. The maximum annual discount currently payable for a Band D property that is empty and unfurnished is approximately £500. However, as the majority of homes are reoccupied within 12 months the actual discount awarded is usually significantly less than this.

The Council does not believe that the loss of this discount will cause hardship to those affected by the proposed change and that the vast majority of circumstances in which vulnerable individuals may be liable for Council Tax payments on an empty property will be covered by an exemption (details of all exemptions can be found in Appendix 1 but they include properties left empty by individuals who now reside in a hospital, residential care home or nursing home and properties held for UK Armed Forces accommodation). The consultation seeks your views on whether there are any circumstances where the removal of this discount could cause significant hardship.

There are a number of Council initiatives available to help the owners of empty homes bring them back into use. These are outlined in table 1 below and further information is available on the Council website -

<https://www.cheshirewestandchester.gov.uk/residents/housing/empty-homes/empty-homes.aspx>.

Table 1: Initiatives to help bring empty homes back into use

Initiative	Brief description
Conversion/Empty Homes Grant	A grant to help convert long term empty property or obsolete commercial premises to private rented residential accommodation.
Decent Homes Loan	An interest free loan of between £1,000 and £40,000 to cover work required to bring a property up to the government's Decent Homes Standard.
Matching service	Helps to link empty home owners wishing to sell and accredited landlords wishing to purchase empty homes and bring them back into use.
Buy and sell service	Helps to link empty home owners wishing to sell and property developers looking to refurbish properties and sell them on the open market.
Private Landlord service	Supports landlords by providing contact with prospective tenants and giving access to tenancy management and sign-up services.

- **Empty and uninhabitable homes**

These are homes that require major works or structural alterations to bring the property back into a habitable state. The Council has discretion to award any level of relief between 0% and 100% for a maximum period of 12 months. Currently the Council awards a discount of 25% for up to 12 months. The cost to the Council of awarding this discount in 2016/17 was approximately £12k.

The Council's proposal is to retain a 25% discount for up to 12 months for empty and uninhabitable homes.

- **Second homes**

The Council has discretion to award a discount between 0% and 50% in respect of second homes. Currently, the Council does not award a Council Tax discount in respect of second homes.

The Council's proposal is to continue to award no discount to the owners of second homes.

- **Homes empty for longer than two years**

The Council has discretion to charge a premium of between 0% and 50% when an unfurnished house has been empty for two years or more. Currently the Council charges a 50% Council Tax premium in these circumstances*. For example, in 2017/18 the occupier of a Band D property that has been empty for over 2 years from before 1 April 2017 will pay the standard Council Tax charge of £1,616.75 plus a premium of £808.37 (50% of the standard charge). In 2016/17 the income payable to the Council from this premium was approximately £0.25m.

The Council's proposal is to continue to charge a 50% premium on properties that have been empty and unfurnished for over two years. The existing exemptions from the premium are to remain in place.

* There are several exemptions from the empty homes premium as follows – property left empty due to service in the armed forces; an empty annex treated as part of the main dwelling; empty retirement homes in leasehold developments which are advertised for sale or rent; property left empty by a person with a serious illness.

If you need any more information about Council Tax, please visit the "Council Tax" section of our website - <https://www.cheshirewestandchester.gov.uk/residents/council-tax/council-tax.aspx>. Alternatively, please contact the Council Tax team by emailing counciltax@cheshirewestandchester.gov.uk or by phoning 0300 123 7 022.

Council Tax discount and premiums consultation questionnaire

How to complete this questionnaire

- If there are any questions you do not wish to answer please leave them blank
- Completing the questionnaire is voluntary and all the information you provide will be treated in the strictest of confidence. No information will be released that could identify an individual or organisation.

Q1. How strongly do you agree or disagree with the proposal to remove the discretionary Council Tax discount for empty and unfurnished domestic properties? (Please select one option only)

Please take in to consideration the ongoing exemptions referred to in Appendix 1 of the consultation document, such as properties left empty by individuals who now reside in a hospital, residential care home or nursing home and properties held for UK Armed Forces accommodation.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Q2. Do you have any comments relating to the proposal to remove the discretionary discount for empty and unfurnished properties? In particular, you may wish to highlight any individuals, businesses or organisations that may be adversely affected by these changes.

(Please tell us in the box below)

Other discretionary Council Tax discounts and premiums

Q3. Do you have any comments or suggestions relating to the proposal to retain the 25% discretionary discount for empty and uninhabitable properties? (Please tell us in the box below)

Q4. Do you have any comments or suggestions relating to the proposal to continue awarding no discount for second homes? (Please tell us in the box below)

Q5. Do you have any comments or suggestions relating to the proposal to continue charging a 50% premium for homes that have been empty and unfurnished for over two years? (Please tell us in the box below)

Schemes to bring empty properties back in to use

Q6a. The Council has a number of schemes in operation to help bring empty properties back into use.

From the list below, please tell us which schemes, if any, you have used in the past and those you may use in the future (please select all that apply). Further information about each scheme is available in the consultation document.

	Used in the past	May use in the future	Not heard of scheme	Not applicable
Conversion/Empty Homes Grant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decent Homes Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Matching service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buy and sell service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private Landlord service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q6b. Do you have any comments or feedback you would like to make about any of these schemes, or suggestions about other initiatives that could help bring empty homes back into use? (Please tell us in the box below)

About you

To ensure we have views from a cross-section of people in the area and to understand how views differ between different groups, we would like to know a bit more about you.

Completing this section is voluntary and all the information you provide will be treated in the strictest of confidence. No information will be released that could identify an individual or organisation.

Q7. Please tell us your postcode.

Q8. In what capacity are you responding to this consultation? (Please select all that apply)

- A resident of Cheshire West and Chester
- A landlord with a single property for let in the borough
- A landlord with more than 1 property for let in the borough
- An elected Member of Cheshire West and Chester Council
- A local Town or Parish Councillor
- An employee of Cheshire West and Chester Council
- A member of a voluntary, community or business organisation
- Other (please specify):

Q9. If you are responding on behalf of a group or organisation, please tell us the name in the box below.

Thank you for taking part in this consultation

Please return this form by 16 October 2017 in one of the following ways, quoting **Council Tax discounts and premiums consultation** on the envelope or in the email subject.

By post:

Research and Intelligence Team, Cheshire West and Chester Council, 4 Civic Way, Ellesmere Port, CH65 0BE

By email:

financialmanagement@cheshirewestandchester.gov.uk

Appendix 1: Nationally set Council Tax discounts and exemptions

The following Council Tax discounts, reductions and exemptions are set nationally by central government.

- **Single Person Discount.** If you are the only adult (aged 18 or over) in your home and the property is your sole or main residence, you are entitled to a single person discount of 25%. This discount is set by central government and will not be affected by this consultation.

- **Disregards.** Certain adults living in a property are disregarded for Council Tax purposes. Examples of groups disregarded for Council Tax purposes are full time students, apprentices/youth trainees, those with a severe mental impairment, and carers who live with a person other than their spouse, partner or child under 18. If all occupiers of a property are disregarded for Council Tax purposes, a 50% discount is applicable; if all but one occupier is disregarded, a 25% discount is applicable. These discounts are set by central government and will not be affected by this consultation.

- **Band reductions for disabled people.** If a property is the main residence of at least one disabled person (adult or child) and is larger than you would need if it was not occupied by a person or persons with a disability, you may be entitled to a discount equivalent to the reduction of one band e.g. a Band D property would be charged Council Tax as if it was a Band C property. This discount is set by central government and will not be affected by this consultation.

- **Exemptions.** There are a number of circumstances where a property is exempt from paying Council Tax either for a set period of time or until the circumstances change. Exemptions can relate to either occupied or unoccupied properties. The table on the following page provides details of these exemptions. These exemptions are set by central government and will not be affected by this consultation.

Classes of property exempt from Council Tax:

Class	Brief description of exemption	Exempt period
B	Unoccupied and owned by a charity	Max 6 months
D	Property left empty by previous occupant(s) now detained under immigration law, in prison, in hospital or other place on mental health grounds	Full period
E	An unoccupied property where the previous occupier (who must have been the owner or tenant) now has their sole or main residence in a hospital, residential care home or nursing home	Full period
F	An unoccupied dwelling where the person subject to the charge is the personal representative of a deceased person and no grant of probate or letters of administration have been made or less than 6 months has elapsed since such a grant was made	Full period before probate granted; max 6 months after probate granted
G	Occupation prohibited by law	Full period
H	Property held for a minister of religion	Full period
I/J	Property left empty by a person living elsewhere to receive/provide personal care	Full period
K	Property left empty by a qualifying student	Full period
L	Property repossessed under the terms of a mortgage	Full period
M	Student Halls of Residence	Full period
N	Property occupied by full time students, school/college leavers or certain spouses/partners of dependents of students	Full period
O	Property held for UK Armed Forces accommodation	Full period
P	Visiting Forces accommodation	Full period
Q	Property left empty by a bankrupt person	Full period
R	An empty caravan pitch or boat mooring	Full period
S	Occupied only by person(s) under 18 years	Full period
T	An unoccupied annex which cannot be let separately because it is part of the main property and where it's letting is restricted under planning regulations	Full period
U	Occupied only by severely mentally impaired person(s)	Full period
V	Main residence of a person with diplomatic privilege or immunity	Full period
W	Occupied annex that is solely occupied by dependent relative(s) of the Council Tax payer resident in the other property	Full period

Accessing Cheshire West and Chester Council information and services.

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