

Report to:	Cabinet		
Date:	28 th January 2013		
Report of:	Deputy Chief Executive	Report No:	
Contact Officer:	J Rowlands Assistant Director	Tele No:	1506
Report Title:	Council Tax - Changes to discounts and exemptions on empty properties and second homes		
Non Confidential:	<div style="border: 1px solid black; padding: 5px;"> This report does not contain information which warrants its consideration in the absence of the press or members of the public. </div>		
Purpose:	<div style="border: 1px solid black; padding: 5px;"> On the 26th November 2012 members approved, for public consultation, proposed changes to Council Tax in respect of empty property and second home charges from 2013/14. This report brings back final recommendations for these changes following the consultation process, </div>		
Recommendations:	<div style="border: 1px solid black; padding: 5px;"> <ul style="list-style-type: none"> • To approve the proposals detailed in section 3 of the report as the basis for empty property and second home charges from 1st April 2013. <p style="margin-left: 40px;">Also to re-affirm the recommendations below following the consultation process</p> <ul style="list-style-type: none"> • To approve that a total of £1 million, from the additional revenue generated as a result of these changes, is used to fund part of the required £3 million saving for the Council Tax Support scheme. • To approve the creation of a discretionary fund, to support any claimant for the Local Council Tax Support Scheme and any council tax payer that find themselves in exceptional financial circumstances as a consequence of the changes. (see 4.2.2) • To approve the creation of two new senior officer posts in the council tax section and to approve that these are recruited within the revenues section in order to ensure they have relevant experience and knowledge. (see 4.2.3) </div>		

1.0 SUMMARY

- 1.1.1 The Government is making changes to council tax discounts and exemptions from 1 April 2013 for empty properties and second homes. This is part of their strategy to bring empty homes back into use. These changes will allow councils to use their own discretion around what council tax charges are made for these properties. At the moment these proposals are only draft and the regulations which would be required are likely to be passed later in this year.
- 1.2 As part of the consultation process a number of practical issues and concerns were highlighted by the respondents, a summary of these and the proposed mitigation, where possible, are detailed in appendix B
- 1.3 In addition to this Council Tax Benefit is being replaced with Council Tax Support and the funding will be transferring from the DWP to the Council on the 1 April 2013. This funding will be reduced nationally by 13% compared to current levels of spending on Council Tax Benefit. This means the council will need to find savings to support the new scheme, so these additional charges will help to make up some of the shortfall as the income will form part of the general revenue budget.

2.0 THE CHANGES FROM 1ST APRIL 2013

Set out below are the changes that the Council could consider making in terms of empty properties and second homes:-

2.1 Class C exemptions on Empty Properties

Class C is currently a full exemption for up to 6 months where properties become empty and unfurnished. This is to be replaced with a discount, the amount of which would be for billing authorities to determine between 0-100%. There will also be discretion to vary the discount over time.

2.2 Class A exemptions on Empty Properties

Class A is currently a full exemption for up to 12 months where properties are empty and unfurnished and are undergoing or requiring major repairs or alteration. This is to be replaced with a discount, the amount of which would be for billing authorities to determine between 0-100%. However, unlike Class C there will be no discretion to vary the discount over time.

2.3 Empty Property Charges

This is where a Class A or C exemption has expired and a property remains empty and unfurnished. We currently charge 50% on these properties, however, current legislation already allows billing authorities to charge up to 100%. So we could consider reducing the discount to between 0% to 50%.

2.3 Long Term Empty Dwellings (empty for two years or more)

As with empty property charges we currently charge 50% on these properties whilst they remain empty and unfurnished. The changes to legislation will allow billing authorities to levy an 'empty homes premium' in respect of dwellings which have been left empty for two years or more. This premium will enable billing authorities to charge an additional 50% on top of the full charge so the maximum charge would be 150% of the council tax.

2.4 Second homes and furnished empty properties

Under council tax legislation a second home is defined as a furnished property which is not the sole or main residence of an individual. So it covers properties that individuals clearly see as being their second home and properties that others might just regard as a furnished empty property. We currently charge 50% for these properties whilst they remain unoccupied and furnished. The changes to the legislation mean that from next year we will be able to charge up to 100% on these properties.

3.0 **WHAT'S PROPOSED**

3.1 **Unoccupied and unfurnished properties (NOT undergoing or requiring major repairs or alterations)**

Description	Current Position in Bolton	Council's proposal from 1/4/13
Up to 3 months, where a property is unoccupied and unfurnished (not undergoing or requiring major repairs or alterations).	Class C exemption A full exemption (i.e. a nil charge) for a maximum of 6 months.	To give 100% discount (i.e. a nil charge) for up to 3 months.
After 3 months and up to 6 months.		The discount will be 25%. So 75% of the council tax will be payable.
After 6 Months and up to 2 Years	A 50% discount is given. So 50% of the council tax is payable.	There will be no discount. So the full (100%) council tax will be payable.
After 2 years.	A 50% discount is given. So 50% of the council tax is payable.	A premium of 50% on top of the council tax will be charged. So 150% of the council tax will be payable.

3.2 **Second homes and unoccupied furnished properties**

Description	Current Position in Bolton	Council's proposal from 1/4/13
Second homes and unoccupied furnished properties.	A 50% discount is given. So 50% of the council tax is payable.	There will be no discount. So the full (100%) council tax will be payable.

3.3 **Unoccupied and unfurnished properties undergoing or requiring major repairs or alterations**

Description	Current Position in Bolton	Council's proposal from 1/4/13
Where an unoccupied and unfurnished property is undergoing or requiring major repairs or alterations.	Class A exemption A full exemption (i.e. a nil charge) for a maximum of 12 months.	To give 100% discount (i.e. a nil charge for a maximum of 12 months.
After 12 Months and up to 2 Years	A 50% discount is given. So 50% of the council tax is payable.	There will be no discount. So the full (100%) council tax will be payable.
After 2 years.	A 50% discount is given. So 50% of the council tax is payable.	A premium of 50% on top of the council tax will be charged. So 150% of the council tax will be payable.

4.0 **POTENTIAL INCOME FROM THIS PROPOSAL**

4.1 **Potential additional income from the increase charges**

	Current number of properties	Approximate Additional Income per year
Class A - To give 100% discount (i.e. a nil charge) for a maximum of 12 months.	100	Nil
Class C - To charge 75% from 3-6 months	740	£550,000 - £600,000
Empty property - Charge of 100% from 6 months to 2 years	1370	£710,000 - £760,000
Long Term Empty - Charge 150%	660	£520,000 - £570,000
Second Homes - Charge 100%	740	£370,000 - £420,000
Total	3610	£2,150,000 - £2,350,000

4.2 **Potential extra costs in respect of the charge increases**

4.2.1 **Bad Debts** - These charges are likely to be more difficult to collect than the existing charges so we would expect there to be irrecoverable charges of around 5%, so a provision needs to be made for bad debts of around £120,000.

4.2.2 **Discretionary Fund** - We understand that the changes to these discounts and exemptions will have a direct financial impact on the people that are responsible for paying council tax charges on empty properties and second homes. Additionally as already mentioned in the report of the 20th August 2012 about the **Local Council Tax Support Scheme** it is likely that there will also be claimants that find themselves in exceptional financial circumstances due to the changes that take effect from 1st April 2013. Therefore, it is proposed to maintain a discretionary fund, to support people that find themselves in exceptional circumstances as a consequence of these changes.

Both these changes are new and it is difficult to predict with certainty the types of issues or situations that will present themselves once these changes are implemented. The amount and the management of the discretionary fund will be evaluated during the first year to determine how or if this continues in future years. It is recommended that for year one this fund is set at £400,000

In terms of mitigation from an EIA perspective, a discretionary fund would be seen as a positive approach to dealing with unforeseen consequences. The feedback from the public consultation supported the establishment of such a fund and is one of the main mitigations.

4.2.3 **Additional Staff Required** - To verify that we are raising the correct charges on empty properties it is important that checks are carried out. In the past when empty property charges were lower than occupied property charges, council tax inspectors carried out regular visits to empty properties to verify that they were still empty. However, with the increased charges this means that in some cases empty charges will be higher than occupied charges. It is proposed that we take on two additional staff (a council tax inspector and a senior council tax officer) to deal with inspections, verification, appeals and discretionary fund applications. These staff will need to have experience and knowledge of council tax. The cost of this would be around £60,000 which includes salaries, on-costs and mileage.

4.2.4 **Other Additional Costs** - In addition to the extra staff there will other additional costs in respect of stationery and postage for additional bills and other notices and correspondence in connection with the new charges. Also in order to maximise the income from these changes verification work will need to be carried out to confirm whether properties are occupied or empty. It is expected that over a year the cost of this information will be approximately £30,000.

4.2.5 Summary of the additional costs

	Potential Extra Costs p.a.
Less 5% bad debt provision (see 4.2.1)	£120,000
Discretionary Payment Fund (see 4.2.2)	£400,000
Additional staff costs (see 4.2.3)	£60,000
Additional verification costs (see 4.2.4)	£30,000
Total additional costs	£610,000

- 4.2.6 **Budget Saving** – Whilst the proposed changes will potentially deliver an increase in Council Tax of just over £2m, it is anticipated that these changes will prompt some owners to either sell their properties and bring them back into use or arrange for the properties to be rented and brought back into use. For budgeting purposes, it is assumed that the net amount delivered by these changes, after taking into account the extra cost detailed in the previous paragraph will be in the order of £1m.

5.0 EIA

Under the Equality Act 2010, the council must have due regard to:

- Eliminating unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act;
- Advancing equality of opportunity between people who share a protected characteristic and people who do not share it; and
- Fostering good relations between people who share a protected characteristic and people who do not share it.

It is therefore important to consider how the proposals contained within this report may positively or negatively affect this work. To support this analysis, following the consultation exercise, a revised Equality Impact Assessment (“EIA”) screening form has been completed for the proposals outlined in this report, and is attached at Appendix A.

The EIA looks at the anticipated (positive and/or negative) impacts of the proposal on people from Bolton’s diverse communities, and whether any group (or groups) is likely to be directly or indirectly differentially affected. Due to the nature of the proposals, it is likely that there will be some adverse financial impact for people paying increased empty property charges. To mitigate this impact as far as possible it is a recommendation that there be a discretionary fund to support anyone who can show exceptional financial circumstances or hardship.

This analysis is set out in more detail in the EIA. The analysis of equality impact will be tested during consultation, and an updated EIA will be included with the report setting out the final proposals.

6.0 CONSULTATION

- 6.1 The council has around 10,000 empty properties on its records in any one year and around 5,000 at any particular point in time. A questionnaire was posted to 3534 individuals responsible for council tax on an empty property in December 2012. The consultation sought information from current owners of empty properties on the impact of the proposed changes and asked for alternative solutions. So that anyone could have their say, the same consultation form was placed on the council’s website. A total of 562 responses were received (542 from the postal survey [15% response rate] and 20 responses via the website).
- 6.2 Detailed analysis results, including a list of key issues arising from the consultation and the service response to these issues, is provided at appendix C
- 6.3 In summary, just over half of the survey respondents (60%) said they would be affected by the proposal to charge council tax on unoccupied unfurnished properties that are not undergoing or

requiring major repairs, 35% said they would be affected by the proposal to charge council tax on unoccupied unfurnished properties that are undergoing or requiring major repairs and a further 35% said they would be affected by the proposal to charge council tax on furnished properties that are second homes or unoccupied.

- 6.4 Many respondents commented that they were actively trying to sell or rent their property and many commented that these proposals would have a detrimental financial impact on them. Some respondents didn't think it was fair to pay extra council tax when they weren't receiving council services and others felt the proposals would affect the number and quality of properties available for rent.
- 6.5 When asked how they could be supported through any changes the most frequently cited answer was to provide exemptions or give more time to those actively marketing the empty property. Others requested that each case be considered on an individual basis and some suggested access to a discretionary fund or financial support in other ways.
- 6.6 Similar themes were raised again when respondents were asked to think of alternative solutions to address this issue. Some respondents suggested that the savings should be made elsewhere others felt the council should provide assistance to help those struggling to find a buyer or tenant. Particular concerns were raised by those people who had ended up with an empty property through a change in personal circumstances or influences beyond their control.

Equality Impact Assessment

Part 1: Screening Form

Title of report or proposal:
Council Tax - Changes to discounts and exemptions on empty properties and second homes. Final proposals

Department:	Chief Executive's Department
Section/SIAP unit:	Revenues and Benefits
Date:	28 January 2013

This report is for decision and is therefore subject to an Equality Impact Assessment. The following questions have been completed to ensure that this proposal, procedure or working practice does not discriminate against any particular social group. Details of the outcome of the Equality Impact Assessment have also been included in the main body of the report.

Equality Impact Assessment Questions

- Describe in summary the aims, objectives and purpose of the proposal, including desired outcomes:**

Nationally, the government is making changes to the council tax discounts and exemptions for empty properties and second homes, from 1 April 2013. These will allow local authorities to use their own discretion with regards to what council tax charges are made for empty properties and second homes. The report sets out Bolton's proposed response to these changes.

It is expected that these proposals would affect in the region of 10,000 properties across the borough during the course of a year (or around 5,000 properties across the borough at any one time), as follows:

Description	Current Position	Proposal from 1/4/13	Approx. number of properties affected p/a
Unoccupied and unfurnished properties (NOT undergoing or requiring major repairs or alterations)			
Where a property is unoccupied and unfurnished, and not undergoing or requiring major repairs or alterations – up to 3 months.	Class C exemption A full exemption (i.e. a nil charge) for a maximum of 6 months.	To give 100% discount (i.e. a nil charge) for a maximum of 3 months.	There will be no financial impact in the first 3 months
After 3 months and up	Class C exemption	To give 25% discount.	3,200 – 3600

to 6 months	A full exemption (i.e. a nil charge) for a maximum of 6 months.	So 75% of the council tax will be payable.	properties where 75% will be chargeable between 3-6 months
After 6 months and up to 2 years	A 50% discount is given. So 50% of the council tax is payable.	There will be no discount. So 100% of the council tax will be payable.	2700-3100 properties where the discount will be removed
After 2 years	A 50% discount is given. So 50% of the council tax is payable.	A premium of 50% on top of the council tax will be charged. So 150% of the council tax will be payable.	750-850 properties where a premium will be charged. However, some dwellings would be exempt from the empty homes premium, under proposals recently consulted upon by government. Those who are exempt will pay 100% of the council tax, instead of 150%
Second homes and unoccupied furnished properties			
Second homes and unoccupied furnished properties.	A 50% discount is given. So 50% of the council tax is payable.	There will be no discount. So 100% of the council tax will be payable.	1300 – 1500 properties, where the charge will increase from 50% to 100%
Unoccupied and unfurnished properties undergoing or requiring major repairs or alterations			
Where an empty and unfurnished property is undergoing or requiring major repairs or alterations.	Class A exemption A full exemption (i.e. a nil charge) for a maximum of 12 months.	To give 100% discount (i.e. a nil charge) for a maximum of 12 months.	N/A no financial impact
After 12 months and up to 2 years	A 50% discount is given. So 50% of the council tax is payable.	There will be no discount. So 100% of the council tax will be payable.	Circa 100 properties, where the discount will be removed
After 2 years	A 50% discount is given. So 50% of the council tax is payable.	A premium of 50% on top of the council tax will be charged. So 150% of the council tax will be payable.	It is anticipated that the changes would apply to a very small number of properties, where a class A exemption has expired and the property remains empty after 2 years. As set out above, some dwellings would be exempt from the empty homes premium,

			under proposals recently consulted upon by government.
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These proposals will have a financial impact for those people who own an empty property or second home. It is anticipated that, on the whole, the proposals will not affect the borough's most financially vulnerable people. This is because the people who will be affected by the proposals will be property owners, and in most cases there will be positive equity on the property. However, it is recognised that the increased costs resulting from the proposals could be an additional financial burden for those who own empty properties and/or second homes, for example if there is negative equity on the property.

These proposals should be read in conjunction with changes to Council Tax Benefit, which is being replaced by a local Council Tax Support scheme in line with national requirements. Nationally, funding for this scheme has reduced by 10%, meaning that local authorities must identify the resources to cover this reduction; or achieve equivalent savings from the local council tax support scheme itself. Bolton's local Council Tax Support scheme was approved on 26 November 2012. It is proposed that some of the increased income generated from the proposed changes to council tax exemptions and discounts (which may be in the region of £1.6m) would help to offset the financial impact of the changes to council tax benefit/support, meaning that a lower level of savings would be found from the scheme itself - therefore offsetting some of the impact for the most financially vulnerable people in the borough.

2. Who are the main stakeholders in relation to the proposal?

The following stakeholders have been identified:

- Homeowners
- Individuals who own more than one property
- Landlords – both private landlords and social landlords
- Property developers and investors
- Local housing services, including the Empty Homes Team
- Staff within the Council Tax Service
- Local communities, who may benefit from empty properties being brought back into use

3. In summary, what are the anticipated (positive or negative) impacts of the proposal?

These proposals respond to changes in national policy, and the need for the council to make significant financial savings across its operations. In addition, they are set within the context of the council's duties under national equality legislation, which requires the council to have due regard to:

- Eliminating unlawful discrimination, harassment and victimisation
- Advancing equality of opportunity between different groups of people
- Fostering good relations between different groups of people

It is anticipated that the proposals will have a positive impact by:

- Increasing the income generated from empty properties and second homes, which can in part be used to offset the savings which are required from the local council tax support scheme – and therefore offset the impact of those changes on the borough's most financially vulnerable people
- Encouraging empty properties to be brought back into use and/or reducing the amount of time that properties are empty, by reducing the discounts/exemptions available. This would support the council's work around neighbourhood renewal, which is of particular

relevance for the borough's most socio-economically disadvantaged areas. The highest percentages of Bolton's long-term empty properties are in the wards with some of the highest levels of socio-economic deprivation

However, it is recognised that the proposals will have a financial impact for people or businesses that own an empty property and/or second home. This will be directly related to the property ownership rather than any particular protected characteristic, but consultation has confirmed that there may be some particular considerations arising from certain circumstances:

- Where a property is empty and unfurnished, the owner would be required to pay 75% council tax on the property after three months, 100% after six months, and 150% after two years. Should this happen because the owner is selling or letting the property, and should this take longer than three months, the owner would be required to pay this while also potentially paying for their new place of residence. Where this situation arises because the owner has moved into say sheltered or adapted accommodation, this may increase the risk of financial vulnerability for older people and/or people who have a disability or infirmity which requires specialist housing.
- A similar situation may arise where circumstances have caused an owner to relocate, for example, for employment; or as a result of family or financial reasons.
- Where an individual or family has inherited a property, the changes to the discounts and exemptions may have an impact on the financial viability of retaining that property, or increase the cost of retaining the property pending a sale or let
- The proposals will affect all wards in the borough, but may have a particular impact in the most socio-economically deprived areas, in which a high proportion of long-term empty properties are situated

It is important to state that it is proposed that a discretionary fund is developed, to help to alleviate the adverse financial impacts which may result for individuals from the scheme. This will offer short-term support on a case by case basis, where an individual's financial circumstances become particularly vulnerable as a result of the scheme.

In addition, other council tax exemptions for unoccupied properties will continue to be in place for a range of circumstances. These are:

- Properties left empty by someone who is a permanent resident in a hospital, residential or nursing home or in prison/detention
- Properties left empty by someone providing care for another person (Also in certain circumstances the person being cared for may not lose their single person discount whilst the carer is living there.)
- Properties left empty that were last occupied by a full-time student who is the owner or leaseholder
- Properties left empty because they have been repossessed or are the responsibility of a trustee in bankruptcy
- Properties left empty because occupation is not allowed by law
- Properties waiting to be occupied by a minister of religion
- Properties owned by a charity are exempt for up to six months from vacation providing that when they were last occupied they were being used for the purpose of the charity.
- Properties left empty because someone has died are exempt where probate has yet to be made and for up to six months after probate has been granted

Furthermore, the government has recently announced the following exemptions from the empty homes premium:

- A dwelling which would be the sole or main residence of a member of the armed forces, who is absent from the property as a result of such service
- An annex deemed unoccupied because it is being treated by the occupier of the main dwelling, as part of that main dwelling

In relation to landlords, it is recognised that landlords – particularly those who own large numbers of properties – would be financially affected by the changes, should they: be unable to let their empty properties before the three month nil charge period expires; have furnished empty properties which would be subject to a 100% charge under the proposals; or own long-term empty properties which would be subject to a premium rate. Landlords are therefore a major stakeholder in relation to these proposals.

A snapshot of data (August 2012) shows that, of the empty and unfurnished properties in Bolton owned by social landlords:

- 53% are brought back into occupation in under three months and would therefore not be affected by the proposed changes
- 28% are brought back into occupation in between three and six months, meaning that they would be affected by the proposed changes. These would be subject to a lower discount at an earlier point (i.e. a 75% charge after three months; rather than a 50% charge after six months). NB, if the social landlord is a charity, and the property was used for the purpose of the charity when it was last occupied, their entitlement to a six month exemption will continue
- 17% are brought back into occupation in between six months and two years. These would be subject to a 100% charge compared to the 50% charge which is currently paid for this period of time
- 2% of properties are long-term empty (i.e. empty for two years or more) and would be subject to a 150% charge

For properties which are privately owned for the same period (NB this includes individuals as well as private landlords and therefore cannot be generalised to private landlords as a whole):

- Over a year around 1300-1500 furnished empty properties/second homes would be affected by the 100% charge (increased from a 50% charge)
- 27% of unfurnished empty properties are brought back into occupation in under three months and would therefore not be affected by the proposed changes
- 20% of unfurnished empty properties are brought back into occupation in between three and six months, meaning that they would be affected by the proposed changes. These would be subject to a lower discount at an earlier point (i.e. a 75% charge after three months; rather than a 50% charge after six months)
- 35% of unfurnished empty properties are brought back into occupation in between six months and two years. These would be subject to a 100% charge compared to the 50% charge which is currently paid for this period of time
- 18% of unfurnished empty properties are long-term empty (i.e. empty for two years or more) and would be subject to a 150% charge

In addition, the proposals are likely to have an impact on staff within council services, including

Housing and Council Tax. It is proposed that two new posts are created within the council tax service to support the delivery of the increased workload, which is likely to result from these proposals.

4. With regard to the stakeholders identified above and the diversity groups set out below:

	Is there any potential for (positive or negative) differential impact?	Could this lead to adverse impact and if so what?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group, or for any other reason?	Please detail what measures or changes you will put in place to remedy any identified adverse impact
Race	It is not anticipated that the proposals will have a specific impact in relation to race.	It is not anticipated that the proposals will have an adverse impact in relation to race.	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for Bolton's neighbourhoods.	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals who may become financially vulnerable as a result of the proposals, on a case by case basis. Furthermore, some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will continue to provide information about these e.g. through its billing process and on its website, to ensure that people are aware of their entitlements.
Religion	It is not anticipated that the proposals will have a specific impact in relation to religion.	It is not anticipated that the proposals will have an adverse impact in relation to religion.	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for Bolton's neighbourhoods.	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals who may become financially vulnerable as a result of the proposals, on a case by case basis. Furthermore, some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will continue to provide information about these e.g. through its billing process and on its website, to ensure that people are aware of their entitlements.

Disability	Consultation has confirmed that there may be some particular considerations in relation to disability.	If a property has become empty because the owner has permanently moved into sheltered or adapted accommodation, there may be a financial impact in relation to the reduction in the discount and discount period for unfurnished empty homes; and the removal of the discount for empty furnished properties	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for Bolton's neighbourhoods. However, the council is committed to reducing the impact on the most vulnerable as far as possible, and a discretionary fund will be developed to offer a degree of financial support to those who may experience financial vulnerability as a result of the proposals.	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals on a case by case basis – this may be particularly relevant to individuals whose age, disability or infirmity means they have to move home, and are in a financially vulnerable position as a result of the proposed changes. Some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will continue to provide information about these e.g. through its billing process and on its website, to ensure that people are aware of their entitlements. At present, this includes homes which are empty because their occupier has moved permanently into a care home or hospital.
Gender (including gender reassignment)	It is not anticipated that the proposals will have a specific impact in relation to gender.	It is not anticipated that the proposals will have an adverse impact in relation to gender.	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for Bolton's neighbourhoods.	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals who may become financially vulnerable as a result of the proposals, on a case by case basis. Furthermore, some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will provide information about these through its billing process and on its website, to ensure that people are aware of their entitlements.
Age	Consultation has confirmed that there may be some particular considerations in relation to age.	If a property has become empty because the owner has permanently moved into sheltered or adapted accommodation, there may be a financial impact	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals on a case by case basis – this may be particularly relevant to individuals whose age, disability or infirmity means they have to move home,

		<p>in relation to the reduction in the discount and discount period for unfurnished empty homes; and the removal of the discount for empty furnished properties. Furthermore, some pensioners have raised concerns during consultation about the affordability of the changes for those who are on a low income (e.g. state pension) but are unable to sell or let their property. In addition, first time buyers and people of working age expressed concerns about the financial impacts arising from changes in circumstances e.g. where they have to relocate for work; or where they are no longer able to afford to retain the property but are unable to sell or let</p>	<p>would have a positive impact for Bolton's neighbourhoods. However, the council is committed to reducing the impact on the most vulnerable as far as possible, and a discretionary fund will be developed to offer a degree of financial support to those who may experience financial vulnerability as a result of the proposals.</p>	<p>and are in a financially vulnerable position as a result of the proposed changes. Some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will continue to provide information about these e.g. through its billing process and on its website, to ensure that people are aware of their entitlements. At present, this includes homes which are empty because their occupier has moved permanently into a care home or hospital.</p>
Sexuality	<p>It is not anticipated that the proposals will have a specific impact in relation to sexuality.</p>	<p>It is not anticipated that the proposals will have an adverse impact in relation to sexuality.</p>	<p>The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for</p>	<p>A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals who may become financially vulnerable as a result of the proposals, on a case by case basis. Furthermore, some dwellings would continue to qualify for exemptions and/or discounts</p>

			Bolton's neighbourhoods.	under government regulations. The council will provide information about these through its billing process and on its website, to ensure that people are aware of their entitlements.
Caring status (including pregnancy & maternity)	Consultation has confirmed that there may be some impact in relation to caring status, where an individual cares for a friend or relative who may be in older age or have a disability which has affected their needs.	Carers may find that they need to provide emotional, financial or practical support to the people they care for, if they are affected by the proposed changes. Through consultation, some carers who have moved in with the people they care for in order to provide ongoing care have expressed concerns about the financial impact of the proposals. However, this situation would be covered by an existing exemption. This has drawn to our attention the need to make sure that people are aware of and claiming their entitlements.	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for Bolton's neighbourhoods. However, the council is committed to reducing the impact on the most vulnerable as far as possible, and a discretionary fund will be developed to offer a degree of financial support to those who may experience financial vulnerability as a result of the proposals.	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals on a case by case basis – this may be particularly relevant to individuals whose age, disability or infirmity means they have to move home, and are in a financially vulnerable position as a result of the proposed changes. Some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will continue to provide information about these e.g. through its billing process and on its website, to ensure that people are aware of their entitlements. At present, this includes homes which are empty because their occupier has moved permanently into a care home or hospital; and properties which are empty because the owner has moved to receive – or provide – personal care.
Marriage and civil partnership	It is not anticipated that the proposals will have a specific impact in relation to marriage and civil partnership.	It is not anticipated that the proposals will have an adverse impact in relation to marriage and civil partnership. The proposals will have a financial impact for individuals/landlords who own a second home or empty property	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for Bolton's neighbourhoods.	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals who may become financially vulnerable as a result of the proposals, on a case by case basis. Furthermore, some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will provide information about these through

				its billing process and on its website, to ensure that people are aware of their entitlements.
Socio-economic	Overall, the proposals will have a financial impact on individuals and landlords who own second homes or empty properties.	There will be a financial impact as a result of reductions in the levels and periods of discounts available on second homes and empty properties and – for long-term empty properties – a council tax premium. While the individuals and landlords who own empty properties / second homes will have property assets if there is equity in the property, it is recognised that the proposals could add an additional financial burden to those affected. Depending on personal circumstances, this has the potential to contribute to financial vulnerability.	The proposals would generate additional income for the council, which could be used to offset savings in other services e.g. council tax support. In addition, the proposals seek to bring empty properties back into use, which would have a positive impact for Bolton's neighbourhoods. However, the council is committed to reducing the impact on the most vulnerable as far as possible, and a discretionary fund will be developed to offer a degree of financial support to those who may experience financial vulnerability as a result of the proposals.	A 3 month class C discount of 100% and a 12 month Class A discount of 100% will be offered. A discretionary fund will be established to support individuals who may become financially vulnerable as a result of the proposals, on a case by case basis. Furthermore, some dwellings would continue to qualify for exemptions and/or discounts under government regulations. The council will provide information about these through its billing process and on its website, to ensure that people are aware of their entitlements.
Other comments or issues	<p>The proposals will have a financial impact on landlords and property developers, in the event that:</p> <ul style="list-style-type: none"> - Properties are furnished and empty, since these will be subject to a 100% charge - Properties are unfurnished and vacant pending letting and are not let within the three month period in which a nil charge will be available, as they will then be subject to a 75% charge up to six months, and a 100% charge up to two years - Properties are long-term empty (over 2 years), as they will be subject to a council tax charge of 150% - Properties undergoing or requiring major repairs or alterations which have been empty for more than 12 months, as they will be liable to a 75% charge after 1 year, and a 150% charge after 2 years. 			

	<p>In addition, the proposals may affect individuals or families depending on their personal circumstances. Examples which have a direct relation to protected characteristics are set out in the table. In addition, it is acknowledged that individuals or families who have inherited a property may also be affected by the proposals, since the changes to the discounts and exemptions may have an impact on the financial viability of retaining that property, or increase the cost of retaining the property pending a sale or let.</p> <p>Where someone has to live in a specific property for their job and this is their second home then a 50% discount can be claimed. However, their other property would continue to be classed as their sole or main residence.</p>
<p>Please provide a list of the evidence used to inform this EIA, such as the results of consultation, service take-up, service monitoring, surveys, stakeholder comments and complaints where appropriate.</p> <p>If you have undertaken consultation as part of the proposal, the consultation manager will upload it on to the corporate database.</p>	<p>Evidence used:</p> <ul style="list-style-type: none"> • Government guidance • Council Tax statistics including quarterly empty property statistics, ward level breakdowns, and sub-regional benchmarking data • Ongoing engagement with stakeholders including the Financial Inclusion Forum regarding wider welfare reform • Consultation feedback on the proposals • Proposals regarding Bolton's local council tax support scheme

5.a Are there any gaps in your evidence or conclusions that make it difficult for you to quantify the potential adverse impact?

The proposals have been subject to consultation with key stakeholders, the key messages from which are set out in the following sections.

The consultation has helped to identify the types of individual cases which might arise from the proposals, which will help to shape the arrangements around the proposed discretionary fund. However, the actual nature or volume of individual cases will not be known until applications to the discretionary fund are received, and each case will be treated on its own merits.

5.b If so, please explain how you will explore the proposal in greater depth or please explain why no further action is required at this time.

Please see 5a, above.

You may wish to consider undertaking secondary data analysis, further consultation or research or investigating best practice. If you are planning to undertake further consultation or research as a result of this EIA, please contact the Consultation Manager on ext. 1083.

Equality Impact Assessment

Part 2: Consultation Form

(To be completed where consultation has been undertaken)

This report is for decision and is therefore subject to an Equality Impact Assessment. The proposal was also subject to consultation and this Equality Impact Assessment (Consultation Form) provides details of the consultation results.

The following questions have been completed to ensure that this proposal, procedure or working practice does not discriminate against any particular social group. This has been ensured by undertaking consultation. Details of the outcome of the consultation have also been included in the main body of the report.

This form asks you to provide details of all the consultation undertaken specific to the proposal you are making, either prior to the EIA or as part of it and the results of this.

1. Consultation with staff

a. Please summarise the consultation undertaken with staff and their Trades Unions regarding this proposal.

Informal consultation has been undertaken with staff and the appropriate Trades Unions have been briefed on the proposals.

b. Please summarise the results of this consultation, including key issues arising and any changes being made to the proposal as a result of the consultation

N/A

2. Consultation with customers and other stakeholders

a. Please summarise the consultation undertaken with customers and other stakeholders regarding this proposal (refer back to the stakeholders identified in your screening form)

Consultation has been undertaken with:

- Those people who owned an empty property (including furnished empty properties/second homes) at the time the proposals were brought forward for consultation. These individuals were invited to complete a survey on the proposals which was sent to them directly
- The wider public, who were invited via press releases to complete the survey on the proposals online
- Key stakeholders, including landlords, Bolton's Financial Inclusion Forum, and the council's housing service

b. Please summarise the results of this consultation, including key issues arising and any changes being made to the proposal as a result of the consultation

A detailed analysis of the consultation results is set out at appendix C, and the council's response to key issues arising is at appendix B. Key messages which are particularly relevant to the EIA are summarised below:

- Respondents were concerned about adverse financial impacts, particularly for:
 - Those who are having difficulty in selling or letting an empty property; or who are

unable to let due to lease restrictions

- Those who cannot afford to undertake renovations, or whose renovations are taking a long time, or are not classed as 'major' (and therefore not exempt)
 - Those who are bereaved/executors of a will
 - Those in the armed forces
 - Those whose property is no longer suitable e.g. due to age or health needs, or because they have had to relocate for work, to care for relatives, or for other financial reasons
- Some respondents felt that the proposals would reduce the quality and quantity of houses on the market, as people would no longer choose to 'do up' neglected properties, or be able to maintain properties to as high a standard. Half of respondents did not feel that the proposals would encourage empty properties to be brought back into use. In addition, some respondents felt that landlords would be less selective about who they chose to rent to; and that some would increase rents to cover the extra costs incurred
 - There was strong opposition to the long-term empty homes premium, and a feeling that it was unfair for new owners to be liable for long-term empty charges
 - Some respondents felt it was unfair to have to pay council tax on empty properties, because they perceived that few or no services were being used
 - Respondents felt that each application for the discretionary reduction fund should be considered on its own merit. In addition, some respondents saw a difference between landlords who own several properties; and people who own one or two properties. Some were also concerned that people would find loopholes to avoid paying any extra costs

Following consultation, the following mitigating steps will be put in place. However, while these should help to mitigate the impact for those who may be the most financially vulnerable as a result of the proposals, there will be an unavoidable financial impact for many of those who own an empty property or second home:

- Exemptions and discounts will remain in place in some circumstances, and the council will refresh the information it provides with its bills, on its website etc. to promote the exemptions and discounts available. For example:
 - For dwellings unoccupied because the occupant has moved into a care home or hospital
 - For dwellings unoccupied because the occupant has moved to receive or provide personal care
 - Dwellings which would be the sole or main residence of a member of the armed forces, who is absent from the property as a result of such service, would not be liable for the long-term empty premium
- If there is equity in the property, it may be possible to agree for the charge to be paid when it is sold providing a solicitor's undertaking could be provided to do this.
- A discretionary fund will be established, to provide financial support to those who may become financially vulnerable as a result of the proposals. This would be provided on a case by case basis, and will be promoted through billing, on the council's website, through Access Bolton etc.
- There will be a robust checking and verification process in place to ensure that charges are made where appropriate.

This EIA form and report has been checked and countersigned by the Departmental Equalities Officer before proceeding to Executive Member(s)

Please confirm the outcome of this EIA:

No major impact identified, therefore no major changes required – proceed	<input type="checkbox"/>
Adjustments to remove barriers / promote equality (mitigate impact) have been identified – proceed	<input checked="" type="checkbox"/>
Continue despite having identified potential for adverse impact/missed opportunities for promoting equality – this requires a strong justification	<input type="checkbox"/>
Stop and rethink - the EIA identifies actual or potential unlawful discrimination	<input type="checkbox"/>

Report Officer

Name: John Rowlands

Signature: JR

Date and Contact No: 28 January 2013

Departmental Equalities Lead Officer

Name: Sarah Griffiths

Signature: SG

Date and Contact No: 28 January 2013. Tel 01204 331382

Appendix B Issues Raised & Service Response

Key concerns raised in consultation	Service response
Many respondents said that they were actively marketing their property but could not find a buyer or tenant.	If there is equity in the property we could agree for the charge to be paid when its sold providing we get a solicitors undertaking to do this. In the meantime we would ask them to still pay a lower amount. Failing this the chargepayer can make a claim for discretionary reduction.
The proposals will have an adverse financial impact on them – and could result in them having to claim various discounts or benefits.	Chargepayer can make a claim for discretionary reduction - need to make sure that chargepayers are receiving any benefits, discounts or exemptions that might apply.
Many respondents didn't feel it was fair that they had to pay extra council tax when they perceived they were receiving few (if any) services.	It should be noted that council tax is not a charge for services it's a tax on property that contributes to a range of services. However, the information provided about what services council tax covers will be reviewed. e.g. what we have on the website, do some publicity in the Scene and develop a standard letter that we can send to customers as required.
The proposals will affect the quality of houses available for rent as they wouldn't have enough time to maintain properties to as high a standard.	There is no charge for the first 3 months that a property is empty providing it is unfurnished and the vast majority of empty properties are reoccupied within this period. If repairs are required or are being carried out that are major or structural then they are eligible for a 100% discount for up to 12 months.
Some respondents felt that the proposals would affect the quantity of houses available – they would not buy run down properties to do them up.	If repairs are required or are being carried out that are major or structural then they are eligible for a discount of 100% for up to 12 months.
Time needed for renovation is sometimes longer than 3 months (especially individual ownership rather than landlord).	If repairs are required or are being carried out that are major or structural then they are eligible for a discount of 100% for up to 12 months. Failing this if there is financial hardship the chargepayer can make a claim for discretionary reduction

The proposals would stop people buying and renovating repossessions if they have been empty for a period before our ownership. Unless the charges started on the day they bought the property.	There is no change in the new regulations around when the effective date for charging is. However, if repairs are required or are being carried out that are major or structural then they are eligible for a discount of 100% for up to 12 months.
Property needs quite a lot of work to bring it up to an acceptable standard – but that the work wouldn't count as 'major'.	If repairs are required or are being carried out that are major or structural then they are eligible for a discount of 100% for up to 12 months. If not and if there is financial hardship then the chargepayer can make a claim for discretionary reduction.
Rents will increase to cover the extra costs.	Comment noted
Proposals will affect bereaved / executors –due to the length of time taken to get probate and prepare house for market.	There are other exemptions that may apply in these circumstances relating to where the previous owner/occupier has deceased. After this charges depend on whether furniture has been removed or not and when. Also if repairs are required or are being carried out that are major or structural then they are eligible for a discount of 100% for up to 12 months after the exemption has expired. Alternatively, if the property is being sold and is equity in it we could agree for the charge to be paid when its sold providing we get a solicitors undertaking to do this. In the meantime we would ask them to still pay a lower amount. Failing any of the above the chargepayer can make a claim for discretionary reduction.
Whereas now landlords were quite selective – in future they would take any tenant – this could cause problems in the area.	Comment noted
Respondents felt that each case should be dealt with on an individual basis and according to unique circumstances.	Each application for discretionary reduction will be evaluated on an individual basis.
The proposals should be waived for current owners – as people purchasing properties before 2013 were not aware of these proposals and therefore the costs had not been factored in.	Comment noted - to enable this the legislation would need to be amended.
People will find loopholes to avoid the charge e.g. change the use of the property.	We will have a robust checking and verification process in place to ensure that charges are made where appropriate.

Encourage housing associations to allow sub-let so that property will not be empty (this is where there is shared ownership).	This is outside of the council's remit. However, if not and if there is financial hardship then the chargepayer can make a claim for discretionary reduction.
Some properties are empty because of bad area – so can't let / sell. The council needs to make the area nicer so the properties are easier to sell.	Comment noted If there is financial hardship then the chargepayer can make a claim for discretionary reduction.
Could there be a tiering system; 1-2 houses = one charge, 2-5 houses = another charge, 5-10 houses = another charge.	Legislation does not allow this.
Should be a different scheme for landlords / individual property owners. Landlords can absorb costs, individual property owners may not be able to.	Legislation does not allow this. If there is financial hardship then the chargepayer can make a claim for discretionary reduction.
Will not rent property as furnished – remove furniture and rent as unfurnished.	Comment noted
Inherited a house – house needs major repairs and renovation which cannot undertake due to financial situation	If repairs are required or are being carried out that are major or structural then they are eligible for a discount for up to 12 months. Additionally if there is financial hardship then the chargepayer can make a claim for discretionary reduction.
Some people said they didn't know if they would be affected by the proposals, for some it was unclear whether this was because they didn't understand the proposals or because they didn't know if their property would be empty at this time	A letter will be sent to all customers affected in early February to explain what the new charges will be from April and advise. Staff on customer services have been given guidance and information to assist customers. Website and information with bills will also contain further information.
Flats etc connected to business which are empty and cannot be let to just anyone because of practicalities i.e. no separate access, connected to nursery school etc.	Comment Noted
What if I have to live in a second home for work purposes?	Comment noted. However where someone has to live in a specific property for their job and this is their second home then a 50% discount can be claimed.
Try and get some of the money from people that don't pay. £4m outstanding.	This is ongoing - we continue to recover arrears.
Target local authority and social landlords who are leaving houses empty.	Legislation does not allow this. In the main social landlords work towards properties being empty for a minimum period of time. They will have to pay the revised charges too.

Assist owners to find buyers / tenants, provide grants / loans for repairs.	There are currently limited resources within the council that can support this.
Full time soldier in HM Forces – when property is vacant or undergoing refurbishment repairs – will cost me. The proposals will influence service people's decision to join the property ladder whilst still serving.	There are other exemptions and discounts that may apply in these circumstances. If repairs are required or are being carried out that are major or structural then they are eligible for a discount for up to 12 months. Additionally if there is financial hardship then the chargepayer can make a claim for discretionary reduction.
Respondents have found it necessary to make a lifestyle change and move house due to my age / stroke / disability and old properties no longer being suitable. Finding it difficult to sell old property in current financial climate.	There are other exemptions and discounts that may apply in these circumstances. If no other exemption applies and there is equity in the property we could agree for the charge to be paid when its sold providing we get a solicitors undertaking to do this. In the meantime we would ask them to still pay a lower amount. Failing this the chargepayer can make a claim for discretionary reduction.
Some respondents have properties for specific purposes (e.g. to urgently house vulnerable adults / young people or special units for disabled people). The proposals could mean these specific properties could be let to anyone rather than those with specific needs.	Comment noted. These cases are quite rare, and each case will be considered on its own merits.
I have moved in with my disabled father to help care for him, I am contributing towards the council tax in my fathers house and will also have to pay council tax on my empty house.	There are other exemptions and discounts that may apply in these circumstances. Further information about exemptions will be supplied when we write to customers effected prior to annual billing.
It would be difficult for my mother to pay the council tax as she is already using all her life savings to self-fund her care home.	There are other exemptions and discounts that may apply in these circumstances. Further information about exemptions will be supplied when we write to customers effected prior to annual billing.

Appendix C Public consultation

1.0 Aim and methodology

In December 2012, a questionnaire and supporting information was sent to the 3534 people or companies who had an empty property in the borough at that time. The consultation sought to ascertain the impact of proposed changes to council tax levied on empty properties and asked for alternative suggestions.

The consultation was also made available to other interested parties via the Council's website. A total of 562 responses were received.

2.0 Analysis information

Percentages may not total 100 due to rounding or where multiple responses were allowed. Where appropriate any 'don't knows' have been excluded from the report.

Open-ended questions were included in the survey to give respondents the opportunity to suggest alternative solutions and to comment on the proposed capital investment. Those comments have been categorised into a number of themes as recorded below.

3.0 Respondent profile

Respondents were asked to indicate in what capacity they were completing the questionnaire.

Respondent	%
Private landlord	40%
Homeowner with empty property / second home	50%
Resident in Bolton borough	19%
Tenant in private accommodation	3%
Housing association	1%
Letting agency	1%
Tenant in social accommodation	1%
Other	11%

Base: 549 respondents

73% of respondents had at least one empty property.

Reason for property being empty	%
For sale	38%
Being renovated / repaired	30%
Needs renovating / repair [work not started]	15%
Actively looking for tenants	23%
Tenants / relatives / self due to move in shortly]	9%
Second home	6%

Other	10%
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Base: 393 respondents

Respondents answering as individuals rather than on behalf of an organisation were asked a series of further demographic questions. Of these respondents 24% were aged 65 or over, 43% were aged 46-64 and 33% were 45 or under. The ethnic makeup was 75% White British, 16% Asian or Asian British and the remainder from other ethnic groups. 75% had no caring responsibilities and 77% said their day-to-day activities were not limited due to long term illness or disability.

4.0 Responses

4.1 Proposal one – Unoccupied unfurnished properties that are not undergoing or requiring major repairs or alterations.

Council tax will not be charged for the first 3 months on properties which are unoccupied and unfurnished, and are not undergoing or requiring major repairs or alterations. After 3 months, owners will pay 75% council tax. Once the property has been empty for 6 months, the full rate of council tax will be charged. After 2 years, a premium will be added so that council tax will be charged at 150%.

60% of the 521 respondents who answered this question said they would be affected by this proposal, with 28% saying they would not be affected and 13% said they did not know if they would be affected or not.

Comments have been categorised as follows:

General financial impact – 157 respondents mentioned the financial impact in general, which in some cases could result in them having to claim various benefits or discounts, go out of business or become bankrupt.

Will struggle to sell / tenant - 155 respondents said that although they were actively marketing their property they could not find a buyer or tenant, or said that the timescales were too tight as rental properties needed to be cleaned and often refurbished being offered for rent, and the new tenants had to give a month's notice on their existing property.

Will have to full / extra CT when they were receiving few services / already paying for services on another property - 72 respondents said they would have to pay extra council tax when they were receiving few if any extra services.

Will affect number / quality of houses available for rent - 43 respondents said they would no longer let properties out, or that they would not buy run down properties to do up and let or sell as the time this process took would push them into paying higher council tax. This category also includes those who said they would continue to let but that they would not renovate or maintain properties to as high a standard as they would simply want occupation..

Will slow repairs down further - 34 respondents said that the properties were currently empty because they could not afford to do the repairs any faster, and that having to pay increased council tax would reduce the amount available for repairs and the property would therefore be empty for longer.

Repairs / renovations take time but may not qualify as 'major' - 23 respondents said that the properties needed work to bring them up to an acceptable standard but that this work may not count as 'major'.

Will increase rents to cover extra costs - 8 respondents said they would cover the cost of increased council tax by increasing rents

Will take any tenant to fill property - 5 respondents said that they would take any tenants in future to avoid having to pay CT on an empty property.

4.2 **Proposal two – properties that are unoccupied and unfurnished and either undergoing or require major repairs or alterations.**

If a property becomes unoccupied and unfurnished, council tax will NOT be charged for up to 12 months whilst major repairs or alterations are undertaken or required. If the property remains unoccupied and unfurnished, then after 12 months the full council tax will payable. After 2 years, a premium will be added so that council tax will be charged at 150%.

35% of 491 respondents who answered this question said they would be affected by this proposal, 49% did not think they would be affected, and 16% did not know whether they would be affected or not.

Comments have been categorised as follows:

General financial impact - 57 respondents cited the financial impact in general, which in some cases could result in them having to claim various benefits or discounts, go out of business or become bankrupt.

Will struggle to sell / tenant - 35 respondents explained that they were actively marketing their property but they could not find a buyer or tenant, or said that the timescale was too tight as rental properties needed to be cleaned and often refurbished before being offered for rent, and the new tenants had to give a month's notice on their existing property.

Extra CT = less to spend on repairs – will just slow repairs down further - 31 respondents said that the properties were currently empty because they could not afford to do the repairs any faster, and that having to pay increased council tax would reduce the amount available for repairs which would therefore mean the property would actually be empty for longer. Also renovations could take quite a while to complete, but that they did not necessarily fall under the category of major repairs

Will affect number / quality of houses available for rent - 29 respondents said they would no longer let properties out, or that they would not buy run down properties to do up and let or sell as the time this took would result in them paying higher council tax, or that they would continue to let but not renovate or maintain properties to as high a standard as they would just try to get a tenant in as quickly as possible.

Will have to full / extra CT when they were receiving few services / already paying for services on another property - 24 respondents said they would have to pay extra council tax when they were receiving few if any extra services

Need more information - 6 respondents said they would need more detail, including exactly what was classed as a major repair

Will increase rents to cover extra costs - 5 respondents said they would cover the cost of increased council tax when the properties were empty by increasing rents when the property was tenanted.

4.3 **Proposal three – furnished properties that are second homes or are unoccupied.**

Council tax will be charged at 100% on furnished properties which are second homes or which are unoccupied. There will be no discount period

35% of 484 respondents who answered this question said they would be affected by this proposal, 57% said they would not be affected and 8% did not know if they would be affected or not.

Comments have been categorised as follows:

General financial impact – 63 respondents specifically cited the financial impact in general, which in some cases could result in them having to claim various benefits or discounts, go out of business or become bankrupt

Will have to full / extra CT when they were receiving few services / already paying for services on another property - 46 respondents said they would have to pay extra council tax when they were receiving few if any extra services

Will struggle to sell / tenant - 28 respondents explained that they were actively marketing their property but they could not find a buyer or tenant, or said that the timescale was too tight as rental properties needed to be cleaned and often refurbished being offered for rent, and the new tenant had to give a month's notice on their existing property.

Affects bereaved / executors - 12 respondents felt the proposals were unreasonable because of the time taken to get probate and then prepare the house for market, or that being bereaved meant they were unable to make decisions about what to do with the property.

Will not rent as furnished / at all- 12 respondents indicated either that they would either not rent their property at all, or would remove the furniture and let as unfurnished.

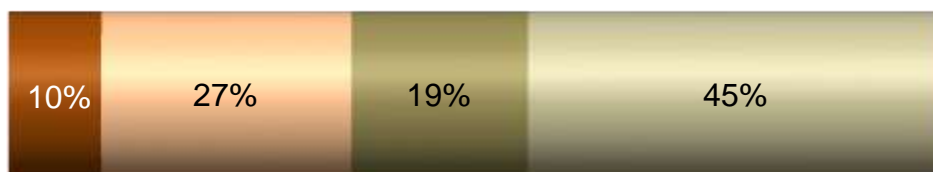
Will affect own work / employment of others - 10 respondents said that they had had to move for work, or that they had a business in one area and lived elsewhere. They said they might have to change employment or their business if the proposals were implemented.

Rents would increase – 4 respondents said they would increase the rental charged when tenanted to cover the increased council tax when unoccupied.

Property will not be maintained to as high a standard / repairs will take longer – 4 respondents said that money spent on council tax would be taken from that currently used for maintenance / repairs.

4.4 How strongly do you agree or disagree that the proposals will encourage owners to bring empty properties back into use?

Strongly agree Agree Disagree Strongly disagree



Base: 480 respondents

4.5 If the proposals are accepted, how can we support you through the changes?

Many respondents simply said that the proposals were unfair or should not be implemented. Suggestions for support have been categorised below.

Exemptions / more time for those actively marketing the property - 75 respondents felt that those who could prove they were actively marketing a property for sale or to find tenants should receive an exemption or discount.

Provide financial support - 38 respondents said they would require support to pay the extra CT such as a discount, benefit increase or access to a discretionary fund

Phase in changes over time or have more % increments – 29 respondents suggested that the change should be more gradual or that the time period from which CT became payable should be calculated from when the proposals were ratified rather than retrospectively.

Provide loans / grants – 25 respondents suggested that the council provide low interest loans or grants to enable owners to complete repairs more quickly.

Look at each case individually – 22 respondents felt that each case should be dealt with according to its own unique circumstance

Buy house / assist finding buyer or tenants - 22 respondents would like the council to assist, either by buying the property and renting it out themselves, or by helping the owners to find a buyer or tenants .

Exemptions / more time for those carrying out repairs / renovations – 19 respondents felt that the time allowed was insufficient, or that the definition of what counted as a major repair was too tight as it did not include much of the work necessary to bring a house up to an acceptable standard.

Exemptions for second homes – 11 respondents felt that there should be an exemption for empty properties that are a second home.

Exemptions for those inheriting property – 9 respondents felt that people who had inherited property, were bereaved or going through probate should receive a discount or be exempted from the proposals.

Pay Housing Benefit direct to landlord - 4 respondents felt that they would be able to take more tenants if they received the HB direct, thus guaranteeing that their rent was paid.

4.4

Can you think of any alternative solution to address this issue?

Whilst some respondents felt that the proposals should simply not be implemented, others came up with a number of suggestions to reduce the number of empty properties and / or ease the saving requirements for other services. These suggestions have been categorised below.

Assist owners to find buyers / tenants – 56 respondents felt that the council could offer a range of help, including the maintenance of lists of owners and potential purchasers / tenants, buying the property to rent out itself or by increasing protection for landlords or making it easier for them to let a property, for example by instructing housing associations to allow sub-letting.

Only charge for properties not being actively marketed / repaired - 55 respondents felt that only properties which were neglected or not being actively marketed for sale or let, or not being renovated should be affected by the proposals.

Cut costs / chase non-payers / increase other revenue – 43 respondents felt that financial savings could be made across the council, or that revenue could be increased by chasing those who did not pay their CT bill..

Encourage renovations – 35 respondents felt that the council could help bring empty properties back into offering low interest loans or grants for refurbishment.

Only implement for landlords with more than one property – 16 respondents felt that the changes should be not be applied to people with only one empty property and that the proposals should include housing associations etc.

Phase in / more increments/ longer time periods before charges implemented - 11 respondents mentioned this.

Don't implement proposals for second homes -11 respondents

Other suggestions included not implementing the 150% premium, only charging people with second homes, charging CT on religious houses, extending various exemption periods / not charging at all on various categories e.g. pensioners, abolishing CT in favour of a local income tax, charging a % when a property sold and charging full CT on every property.

Empty properties - council tax discounts

Background

As part of a strategy to bring empty homes into use, the government is making changes to the council tax scheme for empty properties and second homes. From 1 April 2013, local councils will have more discretion with regard to which council tax discounts to apply. Reducing some of the discounts and exemptions will also help us ease the savings requirements for other services such as those for vulnerable adults and children.

This questionnaire sets out the current position and asks for your opinion about the changes that we propose to make. For your views to count, please return the completed questionnaire in the envelope provided by 4 January 2013.

Unoccupied unfurnished properties that are not undergoing or requiring major repairs or alterations.

Current: Owners of unfurnished properties that are not currently undergoing or do not require major repairs or alterations do not pay ANY council tax for the first 6 months. After 6 months, they only pay 50% of the council tax rate.

Proposed: Council tax will not be charged for the first 3 months on properties which are unoccupied and unfurnished, and are not undergoing or requiring major repairs or alterations. After 3 months, owners will pay 75% council tax. Once the property has been empty for 6 months, the full rate of council tax will be charged. After 2 years, a premium will be added so that council tax will be charged at 150%.

Q1 Do you think you will be affected by this proposal? (please tick one box only)

☐ Yes

☐ No

☐ Don't know

Q2 Please explain the impact on you or your organisation? (please specify below)

Properties that are unoccupied and unfurnished and are either undergoing or require major repairs or alterations.

Current: Owners of properties that either require or are undergoing major repairs or alterations do not pay any council tax for the first 12 months, then pay council tax at 50%.

Proposed: If a property becomes unoccupied and unfurnished, council tax will NOT be charged for up to 12 months whilst major repairs or alterations are undertaken or required. If the property remains unoccupied and unfurnished, then after 12 months the full council tax will be payable. After 2 years, a premium will be added so that council tax will be charged at 150%.

Q3 Do you think you will be affected by this proposal? (please tick one box only)

☐ Yes

☐ No

☐ Don't know

Q4 Please explain the impact on you or your organisation? (please specify below)

Furnished properties that are second homes or are unoccupied.

Current: Owners of furnished properties that are second homes or are unoccupied, are only liable for 50% council tax.

Proposed: Council tax will be charged at 100% on furnished properties which are second homes or which are unoccupied. There will be no discount period.

Q5 Do you think you will be affected by this proposal? (please tick one box only)

☐ Yes

☐ No

☐ Don't know

Q6 Please explain the impact on you or your organisation? (please specify below)

Overall

Q7 How strongly do you agree or disagree that the proposals will encourage owners to bring empty properties back into use? (please tick one box only)

Strongly agree

☐

Agree

☐

Disagree

☐

Strongly disagree

☐

Don't know

☐

Q8 If the proposals are accepted, how can we support you through the changes? (please specify below)

Q9 Can you think of any alternative solutions to address this issue? (please specify below)

About you

Q10 Are you? (please tick all that apply)

☐

Private landlord

☐

Tenant renting in social accommodation

☐

Homeowner with empty property / second home

☐

Tenant renting in private accommodation

☐

Housing Association

☐

Resident of Bolton borough

☐

Letting agency

☐

Other (please state in box below)

Q11 Do you or your organisation currently have an empty property / empty properties?

☐

Yes

☐

No

Q12 If 'Yes' please indicate why. (tick all that apply)

☐

For sale

☐

Tenants / relatives / self due to move in shortly

☐

Being renovated / repaired

☐

Second home

☐

Needs renovating / repair (work not started)

☐

Other (please state in box below)

☐

Actively looking for tenants

Please ONLY answer this section if you are answering as an individual rather than on behalf of an organisation. Any questions that you prefer not to answer can be left blank.

Q13 What is your age?

Q14 What is your ethnic origin?

☐

White British

☐

Other White origin

☐

Mixed / multiple ethnic origin

☐

Asian / Asian British

☐

Black / African / Caribbean / Black British

☐

Other ethnic origin

☐

Prefer not to say

Q15 Are your day to day activities limited because of a health problem or disability which has lasted (or is expected to last) at least 12 months?

☐

Yes, limited a lot

☐

Yes, limited a little

☐

No

Q16 Do you look after, or give any help or support to family members, friends, neighbours or others because of either a long-term physical or mental illness, disability or problems due to old age?

☐

No

☐

Yes, 1-19 hours a week

☐

Yes, 20-49 hours a week

☐

Yes, 50 hours or more a week

**Thank you for completing this questionnaire.
Please return your completed questionnaire in the enclosed pre-paid envelope
before 4 January 2013. You do not need a stamp.**