

**Council Tax Renovated Property**

**REPORT TO THE EXECUTIVE**



<b>DATE</b>	<b>130217</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
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**PURPOSE**

1. To seek approval in respect of a new policy for awarding local Council Tax discount to the owners of renovated properties which were previously classed as either uninhabitable or long-term empty.

**RECOMMENDATION**

2. That Full Council be recommended to approve this new policy for awarding local Council Tax discount from 1 April 2017. (Appendix 1)
3. That Full Council be recommended to approve that delegated authority is given to the Head of Housing and Development Control to amend the criteria of the scheme to ensure it remains cost effective and achieves the objectives of the policy.

**REASONS FOR RECOMMENDATION**

4. This new Policy seeks to relieve property owners from the burden of paying Council Tax whilst they are renovating properties which were previously classed as either uninhabitable or long-term empty.
5. The policy adds an extra incentive for such owners by awarding a 100% local discount for up to six months, once renovation works have been completed on former uninhabitable or long-term empty properties, and the works have brought the property up to an agreed standard.

**SUMMARY OF KEY POINTS**

6. Burnley has approximately 2,400 empty properties - almost 5% of the total housing stock. Of the 2,400 empties, 1,050 have been empty for more than six months of which:
  - 60 are uninhabitable
  - 620 are empty and substantially unfurnished
  - Around 370 have been empty for over two years

7. This report proposes the introduction of a local discount in the form of a pay-back scheme that incentivises owners of both uninhabitable and long-term empty properties to carry out renovation works to bring them back into use within a defined period of six months from the start of renovation work to the completion of works and occupation of the premises.
8. To be eligible for this new local Council Tax discount, the property must,
  - a) be in a certain state of disrepair and include significant category 1 Hazards as defined by the Housing Act 2004.
  - b) of been vacant for a minimum period of 12 months (not lived in),
  - c) be unfurnished,
  - d) be undergoing renovation works that will achieve the Council's Gold Accreditation Standard and be completed with the property occupied within a timeframe of 6 months.
9. The local discount scheme will give up to six months full Council Tax discount when renovation works are completed within a six month period, and the property is brought back into use. The definition of "brought back into use" is that the property is occupied as someone's main home.
10. The scheme will operate retrospectively, so the discount is awarded once the works are completed, an inspection has been made and the property is occupied. The Council Tax that has been paid throughout the renovation period will then be refunded to the owner.
11. Participation in the scheme is conditional upon there being no Council Tax arrears or debt owed to Burnley Council. Where the applicant has multiple properties, all accounts for each property must be paid up to date, not just those affecting the relevant property.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

12. Under normal circumstances, discounts for Council Tax are financed as follows:
  - 17% by Burnley Borough Council
  - 69% by Lancashire County Council
  - 10% by Lancashire Police and Crime Commissioner
  - 4% by Lancashire Fire and Rescue Authority
13. As this is a local discount, funding will need to be met 100% by Burnley Borough Council.
14. The cost of awarding six months local discount to a Band A property in Burnley is £560. We would expect take-up of this scheme to be relatively low at around 20 properties during the first year. An estimate of the cost of the scheme for 2017/18 is therefore £11,200.

## **POLICY IMPLICATIONS**

15. This new policy will allow the Council to administer applications for discount in a consistent and fair way.

<b>DETAILS OF CONSULTATION</b>
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16. Deborah Davies – Head of Revenues and Benefits

<b>BACKGROUND PAPERS</b>
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17. None

<b>FURTHER INFORMATION</b>
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