

AMENDED AGENDA

CABINET MEETING



Date: Wednesday 12 February 2014
Time: 6.30 pm
Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Garland (Chairman), Greer, Moss,
Paine, Mrs Ring and J.A. Wilson

Page No.

1. Apologies for Absence
2. Urgent Items
3. Notification of Visiting Members
4. Disclosures by Members and Officers
5. Disclosures of lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information
7. Minutes of the Meeting held on 27 January 2014

Continued Over/:

Issued on 5 February 2014

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact JANET BARNES on 01622 602242**. To find out more about the work of the Cabinet, please visit www.maidstone.gov.uk

**Alison Broom, Chief Executive, Maidstone Borough Council,
Maidstone House, King Street, Maidstone Kent ME15 6JQ**

KEY DECISION REPORTS

8. Report of the Chief Executive - Strategic Plan Refresh 2014-15
9. Report of the Head of Finance and Resources - Refresh of the Corporate Improvement Plan 2014-17
10. Report of the Head of Finance and Resources - Budget Monitoring - Third Quarter 2013/14
11. Report of Corporate Leadership Team - Budget Strategy 2014 15
12. Report of Director of Regeneration and Communities - Treasury Management Strategy 2014/15

NON-KEY DECISION REPORTS

13. Report of the Director of Regeneration and Communities - Licensing Peer Challenge
14. Report of the Head of Policy and Communications - Quarter 3 KPI Performance Report
15. **Report of Director of Environment and Shared Services - Council Tax Premium for Long Term Empty Properties** **222 - 228**

MAIDSTONE BOROUGH COUNCIL

CABINET

WEDNESDAY 12 FEBRUARY 2014

REPORT OF DIRECTOR OF ENVIRONMENT AND SHARED SERVICES

Report prepared by Stephen McGinnes

1. COUNCIL TAX PREMIUM FOR LONG TERM EMPTY PROPERTIES

1.1 Issue for Consideration

1.1.1 To consider whether the council should exercise the discretion provided within the Local Government Finance Act 2012 to charge an additional premium for properties that have remained empty for over two years.

1.2 Recommendation of Head of Revenues and Benefits

1.2.1 That Cabinet recommends to Full Council the introduction of a premium of 50% to the Council Tax payable for properties that have been empty and unfurnished for two years.

1.2.2 That the change be introduced from the 1st April 2014, taking account of any prior periods that properties have remained empty when considering the 2 year threshold.

1.3 Reasons for Recommendation

1.3.1 The Local Government Finance Act 2012 introduced a new discretion for the Council to vary certain categories of council tax discounts for empty properties. It also provides the option for the Council to charge a premium for properties that have been empty for two years or more.

1.3.2 The changes provide an important tool both to encourage the use of such properties given the significant demand for housing and generate additional revenue to help mitigate the wider pressures on the Council's budget and general level of council tax for residents.

1.3.3 The Council has the option to charge an additional premium for properties which have been empty and unfurnished for 2 years or determine such classes of properties for which such a premium should be charged.

- 1.3.4 Such properties are currently charged the full rate of council tax with the legislation allowing the Council to now set an additional premium between 0-50%.
- 1.3.5 The Secretary of State has through regulation prescribed classes of property for which a premium cannot be charged, including;
- A dwelling which is 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 the main dwelling.
- 1.3.5 Any adjustment of the above discount/premium will be reflected in the Council Tax Base, increasing the amount of council tax to be generated by the Borough Council, Kent County Council, Police, Fire & Rescue and Parish Councils in line with their individual proportion of the overall council tax set.
- 1.3.6 There are currently 197 properties within the borough that would be affected by such a change.
- 1.3.7 In considering the change Cabinet would also be asked to take account of the following points
- There are a range of statutory exemptions to protect owners who have no choice in leaving the property empty, such as properties subject to probate or left empty due to the owner being in care or hospital. There are no plans to change these exemptions.
 - That the Council is proactive to support owners bring empty properties back into use, providing support to plan works, grants to meet the cost of essential repairs and help with advertising.
 - The council currently has 1282 applicants seeking housing through the councils housing register, with 34 households currently accepted as homeless and placed in temporary accommodation. At the same time the council has 1239 empty properties, of which 197 would be liable to pay an additional premium due to the period that they have remained empty.
 - The council has a dedicated empty homes officer within the housing service whose role is to advise and assist owners of empty homes. In addition the council has an empty homes policy that sets out the range of interventions provided by the council to help bring properties back into use.

1.4 Alternative Action and why not Recommended

1.4.5 The council could decide not to apply a premium or apply a premium at a lower rate (between 0 -50%). In taking such action the council would limit the impact on the change both in terms of properties being returned to use and financial benefit to the council and wider council tax payer.

1.5 Impact on Corporate Objectives

1.5.1 Introduction of the change will support the council’s objective to provide decent, affordable housing in the right places across a range of tenures by encouraging the use of properties that have been empty long term.

1.6 Risk Management

1.6.1 The proposed changes are intended to reduce the number of empty properties within the borough, increasing the stock of available housing. The income generated through the addition of an empty homes bonus will therefore reduce as the number of empty properties declines, however the increased tax base will continue to generate funding for the council.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	
3.	Legal	
4.	Equality Impact Needs Assessment	X
5.	Environmental/Sustainable Development	X
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

- 1.7.2 Financial – the change is expected to provide additional council tax of £76,000. Through discussion with Kent County Council it has been agreed that the Borough Council will be able to retain a greater proportion of the overall revenue generated in recognition of the additional administration involved in making such a change and collecting any additional revenue.

Maidstone borough council will therefore receive additional income through council tax of £25,000.

Where the change results in a property being returned to use the Council will receive additional funding through New Homes Bonus, with an award of approximately £1,200 per property for 6 years.

- 1.7.3 Equality Impact Needs Assessment - To assist Members in having due and full regard to their responsibilities under the Public Sector Equality Duty, an equality impact assessment has been completed which shows that the proposed changes are not expected to have a negative impact. Further detail can be found at Appendix A.

- 1.7.4 Environmental/Sustainable Development – The change will positively encourage properties in a poor state of repair to be brought back into a state of repair to enable occupation.

1.8 Conclusions

- 1.8.1 The ability for the Council to change the level of council tax payable for empty properties within the borough is an important step in both reducing the number and period for which properties remain empty. It also provides an important source of revenue given the current pressures on local government finance.

1.8 Relevant Documents

1.8.2 Appendices

Appendix A – Equality Impact Assessment

1.8.3 Background Documents

None

IS THIS A KEY DECISION REPORT?

THIS BOX MUST BE COMPLETED

Yes

No

If yes, this is a Key Decision because: ...Policy change impacting on all wards.....

Wards/Parishes affected: ...All.....

.....

Stage 1: Equality Impact Assessment

1. What are the main aims purpose and outcomes of the Policy and how do these fit with the wider aims of the organization?

To apply a council tax premium to encourage the use of empty properties and generating additional income for the council.

Introduction of the change will support the councils objective to provide decent, affordable housing in the right places across a range of tenures by providing landlords and owners of long term empty properties with financial incentives to bring them back into use.

The proposals is to introduce an Empty Homes Premium of 50% on all properties which have been empty for two years or more, subject to mandatory exemptions such as where the householder is absent to receive or provide care.

The changes would take affect from 1 April 2014.

2. How do these aims affect our duty to:

- **Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the act.**
- **Advance equality of opportunity between people who share a protected characteristic and those who do not.**
- **Foster good relations between people who share a protected characteristic and those who do not.**

The change is not expected to have any impact on the councils duty to eliminate discrimination, advance equality of opportunity or foster good relations between people who share protected characteristics.

3. What aspects of the policy including how it is delivered or accessed could contribute to inequality?

The change is to introiduce an additional premium to an existing liability. It

will be delivered as part of the existing billing process for council tax with support provided to residents through the Gateway and corporate contact centre. Any existing arrangements for additional support will be continue.

4. Will the policy have an impact (positive or negative) upon the lives of people, including particular communities and groups who have protected characteristics ? What evidence do you have for this?

The intention of the policy is to reduce the number of properties that remain and as such is expected to positively impact on the availability of housing within the borough. Empty properties are also damaging to the local economy and attract higher levels of crime and anti social behaviour.

Residents being asked to pay the additional premium may see the change as a negative, however, the council provides support to help those individuals bring properties back into use.