

**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**FINANCE, INNOVATION and PROPERTY ADVISORY BOARD**

**20 September 2017**

**Report of the Director of Finance and Transformation**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)**

**1 COUNCIL TAX DISCOUNT – EMPTY PROPERTIES**

**A report recommending that there should be a change to the council tax empty property discount with effect from 1 April 2018.**

**1.1 Background**

1.1.1 Councils have the power to amend the level of certain discounts that may be granted to those liable to pay council tax.

1.1.2 Empty property discounts were originally considered in November 2012 and Council resolved that the level of discount should be set at 100% for a maximum period of three months with effect 1 April 2013. The level of discount was further considered by Cabinet on 9 October 2013 and it was resolved that no changes be made to the current discounts and exemptions in preparation for the new financial year 2014/15 but the possibility of further amendments be considered in due course [Decision D130130CAB].

1.1.3 Further consideration was given on 23 July 2014 and 24 September 2014 as to whether there should be any change to the empty property discount. Council subsequently resolved on 4 November 2014 that the period of 100% discount for vacant and unfurnished properties be reduced from three months to two months with effect from 1 April 2015 [Decision C14/75].

**1.2 Option for Change**

1.2.1 Most other authorities in Kent have, or are committed to, reducing the empty property discount to 1 month or even less (see details contained in **ANNEX 1** attached) and no issues have arisen in those areas that have adopted this. Indeed some such as Shepway offer no discount period at all; however, I would not suggest we went that far at this time.

1.2.2 The amount of long term empty properties in the Borough also impacts on the Council's key corporate priorities and has a detrimental effect on residents who live next to them. Therefore, reducing the level of discount would seem to be an

option to encourage owners of these properties to bring them back into use more quickly.

- 1.2.3 As Members will know, the shared service with Gravesham Borough Council (GBC) is due to begin next year and synergy with regards the level of discount would be the preferred option (GBC currently award 100% discount for 1 month on empty properties).
- 1.2.4 A move to 1 month discount would improve our taxbase and therefore generate additional council tax receipts. Major preceding authorities (primarily KCC) would of course benefit from this as well, and in accordance with previous agreements, KCC have confirmed that they would be willing to consider some form of sharing arrangement.
- 1.2.5 An initial review of the taxbase suggests there would be 187.5 more properties generating an additional £34k in council tax receipts for TMBC.

### **1.3 Legal Implications**

- 1.3.1 Section 11A(4) of the Local Government Finance Act 1992 states that an English billing authority may determine that the council tax discounts applicable where there is no resident of a dwelling shall be replaced by a lower discount or no discount at all.

### **1.4 Financial and Value for Money Considerations**

- 1.4.1 Any decision made will have an effect on the Council's taxbase.

### **1.5 Risk Assessment**

- 1.5.1 A decision to decrease the value of discount will have a negative financial effect on those liable to pay council tax through charging them when previously no charge was due.

### **1.6 Equality Impact Assessment**

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **1.7 Recommendation**

- 1.7.1 Members are **REQUESTED to RECOMMEND** to Cabinet that the current period of two months 100% discount for vacant and unfurnished properties is reduced to one month with effect from 1 April 2018.

The Director of Finance & Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

Nil

contact: Glen Pritchard  
01732 876146  
glen.pritchard@tmbc.gov.uk

Sharon Shelton  
Director of Finance and Transformation