

19 November 2014

Minute Extracts

Key Decisions

92/14 Council Tax Charges on Empty and Unoccupied Properties in 2015/16

The Council Cabinet considered a report on Council Tax Charges on Empty and Unoccupied Properties in 2015/16. On 5 December 2012 the Council, following a recommendation from Council Cabinet, approved the following Council Tax charges from 1 April 2013:

- a. Properties classed as Second Homes – charge at 100%.
- b. Properties previously exempt from Council Tax under Class A (unoccupied and requiring structural/major repairs) – charge at 100%.
- c. Properties previously exempt from Council Tax under Class C (empty and unoccupied) – charge at 100%.
- d. Properties empty and unoccupied for more than two years – charge at 150%.
- e. Properties empty and unoccupied for more than six months but less than two years – charge at 100%.

The Council had now had 20 months experience of implementing the charges and insight about how this impacted on household circumstances was clearer. Feedback from council tax payers indicated that charging 100% on properties classed as empty and unoccupied was particularly challenging. The council tax payers included in this category covered a broad cross section including landlords, new owners and first time buyers. Many had highlighted that it was often not possible for one householder to move out and for another to move in on the same or next day. Consequently they felt penalised by the Council issuing relatively small council tax bills that placed additional administrative and cost burdens on the Council.

Options Considered

1. Retain the current charges. This had been rejected on the basis that it could be perceived by tax payers that the Council does not listen.
2. Provide a different period of exemption for properties classed as empty and unoccupied. Whilst this was possible the recommendation set out in the report offered the best balance between budgetary constraints/ income maximisation and listening to tax payers.

3. Change the Council Tax charges for the other categories of empty properties included in the report. Whilst this was possible the recommendation set out in the report offered the best balance between budgetary constraints/ income maximisation and listening to tax payers.

Decision

1. To recommend Council to apply the following Council Tax charges from 1 April 2015:
 - a. Properties classed as Second Homes – charge at 100%.
 - b. Properties classed as unoccupied and requiring structural/major repairs – charge at 100%.
 - c. Properties classed as empty and unoccupied – apply an exempt period for 28 calendar days from the date the property first becomes empty and unoccupied. Charge 100% Council Tax from day 29 onwards.
 - d. Properties empty and unoccupied for more than two years – charge at 150%.
 - e. Properties empty and unoccupied for more than 6 months but less than 2 years – charge at 100%.

Reasons

1. Allowing a 28 day Council Tax exempt period for properties classed as empty and unoccupied would address tax payers' perception of unfairness and would demonstrate that the Council listens to the public's concerns.
2. The charging structure set out in 2.1 of the report enabled the Council to continue to raise extra revenue through Council Tax and would encourage the owners of empty properties to bring them back into use therefore aligning to the Council's Empty Homes Strategy.

98/14 Derby Core Strategy – Publication and Submission for Examination (Update Report)

The Council Cabinet considered a report on Derby Core Strategy – Publication and Submission for Examination (Update Report). Members recalled that a report on this topic was considered on 1 October 2014. That report set out the key issues facing the Core Strategy and sought approval to make a number of changes to the Strategy prior to going out for further public consultation. It also asked for authority to 'submit' the Plan to the Secretary of State so that it could be Examined next year. In addition to this, it provided Members with an update on the situation in the 'Derby Housing Market Area (HMA). In particular, it discussed how the Inspector presiding over Amber Valley's Examination had indicated that the housing requirement for the HMA should be increased and how this was being addressed.

Since that meeting took place, there had been a significant change in circumstance that needed to be brought to Members' attention. This, in turn, required additional recommendations to be considered.

The report indicated that Amber Valley's Inspector had increased the HMA housing requirement by around 1,500 dwellings. At the time the report was considered, Amber Valley was already consulting on a revised set of sites that would accommodate the additional need in full. As such, it was assumed that this would provide a satisfactory and sustainable solution to the issue.

However, on 15 October 2014, Amber Valley's Council rejected a number of sites that had been included in the consultation. The result of this was that there was now a shortfall of around 400 dwellings across the HMA. While this was a relatively small number of dwellings, the three authorities were still going to need to demonstrate how they intended to address the issue to the relevant Inspectors. Discussions on this were on-going between the three authorities.

Members may also be aware that South Derbyshire District Council had submitted their Plan and their Examination was due to start on 25 November 2014. Their Inspector had indicated that she would like to consider the HMA housing requirement in a joint session with Amber Valley, which the City would also attend. While officers were confident that the current HMA target was based on sound and robust evidence, there was still a risk that the Inspector would make further amendments to the HMA target. The Joint Session would, for instance, need to take account of the most recent population and household projections. This, in turn, could have implications for the Core Strategy.

Rather than completely halting progress on the production of Derby's Core Strategy, it was recommended that officers continue to try to reach a robust and 'sound' way of addressing the 'shortfall' issue prior to publication for consultation in January. It may be that this could be achieved without any further changes to the strategy, or with only relatively minor 'non-strategic' amendments to the housing provision figure (subject to it being considered a sustainable and deliverable option). Further investigation of the impact of recent new delivery mechanisms (such as the City Living Initiative) was required to consider if there was scope for a small increase in 'delivery' without undermining the rest of the strategy. While an increase in provision may not be possible, it was important that this exercise was carried out in the interests of the 'duty to cooperate' and to ensure we had a robust evidence base for our Plan. Discussions would also need to continue with our partners before a solution could be identified.

Approval was therefore sought to give authority to the relevant Strategic Director and Cabinet Member to make changes to the strategy prior to publication for consultation. Any changes would be relatively minor and could not, for example, lead to the allocation of additional sites within the 'Part 1' plan. Any significant changes to the strategy would still need to be brought back for Member approval. This approach would still allow the Strategy to be considered at the 26 November Council meeting and minimise the chances of further delay.

Options Considered

Halting progress on the Core Strategy to identify a way forward could create unnecessary delay, as there may be no impact on the Strategy or the changes required may be relatively minor. This approach allowed further discussion and investigation to continue in parallel with the consideration of the strategy by Council and carrying out consultation on the plan in a timely manner.

Decision

1. To authorise officers to continue to work pro-actively with partners in Amber Valley and South Derbyshire to reach an agreement on how to address the HMA housing target.
2. To authorise the Strategic Director for Neighbourhoods, following consultation with the Cabinet Member for Planning, the Environment and Regeneration, to make amendments to the Core Strategy prior to publication of the Plan for consultation.
3. To refer the report to Council as a supplementary report to the earlier report of 1 October 2014.

Reasons

1. To enable officers to identify a robust and 'sound' approach to dealing with any HMA housing shortfall and to be able to react expeditiously to any changes resulting from South Derbyshire's Examination.
2. To effectively address the issues set out in paragraph 3.1 of the report and to enable Plan to be published for consultation without causing undue delay to the City's Core Strategy programme.
3. To authorise the Publication of the Plan.