

From: Amanda.Martin@ards-council.gov.uk

To: Rating Policy CFG

Sent :Wed 30/07/2008 11:11

Subject: Public Consultation on Review of Domestic Rating - The Rating of EmptyHomes

Dear Sir/Madam,

Thank you for consulting with Ards Borough Council on the Review of Domestic Rating - The Rating of Empty Homes. The Consultation Document was considered at a recent meeting and the Council resolved to respond to the questions asked in the Document as follows:-

Rating of empty homes - Preferred approach

- *The liable person should be the person entitled to possession of the property, which usually means the owner.*

Response : Agreed

- *Rates on empty homes should be levied at 100%.*

Response : Agreed in that it would raise additional income and would force into occupancy more vacant homes and thus help ease the housing shortage. Furthermore it would help deter anti-social behaviour which tends to occur in areas where there are a large number of vacant properties.

- *The rating of empty homes should not be introduced on a phased basis.*

Response : Agreed and in addition it should be noted that care needs to be taken in calculating the Estimated Penny Product (i.e. that a reasonable collection percentage is used, otherwise Councils could potentially end up in a claw-back situation), that would also result in the wrong allocation of the Resources element of the General Grant being awarded to Councils.

- *There should be no general initial exemption period. A 12 month exemption period should, however, apply to new property developments.*

Response : Agreed with regard to the new developments and the building of additional homes as the Council would wish to encourage the provision of additional affordable housing in particular for first-time buyers.

- *Similar to the non-domestic sector, completion notices should be used to determine when rates liability begins for new empty homes.*

Response : Agreed that this should be used to trigger rating plus any other information obtained through the sharing of data that ensured rates were levied from the date of occupancy.

- *Certain properties should be excluded from the rating of empty homes,*

including where occupation is legally prohibited or by government action, where a person is receiving care, the property is empty due to imprisonment or the owner's death and for properties below a capital value of £20,000.

Response : Agreed

- *Properties in the rented sector, for which owners have agreed to pay rates, should be excluded from the standard rating of empty homes policy.*

Response : Agreed

- *The maximum capital value and transitional relief should apply to empty homes.*

Response : Agreed that in terms of equity the same principles should apply to all ratepayers.

- *Occupation based allowances and relief (disabled person's allowance, housing benefit, rate relief, student relief for those in full time education and training and young people leaving care and lone pensioner allowance) should not apply where rates are levied on empty properties.*

Response : Agreed

- *The valuation allowance for farmhouses should not be awarded on empty property, due to occupancy conditions.*

Response : Agreed

- *The 50% exemption on Minister's houses should apply when the property is empty, and owned by the church, subject to it being used for pastoral duties when next in use.*

Response : Disagree – the Council believes that since ratepayers fund the Church, empty Minister's houses should be 100% exempt from rates.

- *New powers should be provided that would allow deliberate rates avoidance to be dealt with, if deemed necessary.*

Response : Agreed in terms of fairness and equity that all those liable persons should be made to pay so that everyone pays proportionately.

Financial Impact

- *Do you have any views on the financial impact of introducing the rating of empty homes?*

Response:

Table 1 on page 25 of the report clearly indicates that there is a possible £1.234m of income that could potentially be raised for the provision of services by the Council. As indicated in the report it is unlikely there would be 100% collection. If it is assumed that only 50% of this is collected, the additional income to the Council would be £617K. This would result in there being no rates increase required for 2007/08 versus the 3.7% increase that had to be imposed.

- *Do you have any views on the factors affecting potential revenue levels?*

Response:

The Council believes that, if the required resources are not allocated to ensure the immediate implementation of this proposal, there will be substantial loss of potential income and ratepayers will continue to be unduly burdened in making up the shortfall.

It is therefore imperative that LPS is provided with the resources to carry out the task well in advance of the effective date in order to ensure that the collection information was on the system.

It was further resolved to ask that a timescale be indicated for the loss of the valuation allowance.

I hope that the above comments will assist you in your deliberations.

Yours faithfully

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