



Technical Reforms of Council Tax Consultation
Local Government Finance Directorate
Department of Communities and Local Government
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29th December 2011

Dear Sir/Madam

Consultation on Technical Reforms of Council Tax

Thank you for the opportunity to respond to your consultation. Our detailed responses to the questions posed by your consultation are attached as an Annex.

The following is an introduction to the Association of Residential Lettings Agents (ARLA), and to National Association of Estate Agents (NAEA) ARLA is a combined trade body and self regulatory organisation with approximately 6000 individual members specialising in Residential Lettings. NAEA fulfils a similar function for Estate Agents with approximately 8000 members.

ARLA and NAEA are the two largest divisions of the National Federation of Property Professionals, which is the overarching parent body for a group of member organisations who seek to raise standards in the property industry as well as influence good practice and provide input to bodies with an interest in the property sector.

We feel that the Council Tax consultation will impact on the work of our members and as such that we should make our observations to the proposal contained in the consultation document.

Our responses directly follow the same order as the questions raised in the consultation and we would not wish to make any further comments in response to the consultation.

Ian C Potter Operations Manager



Council Tax Consultation

Annex A

Question 1)

In principle we see no problem with this proposal. However it has to be borne in mind that these properties do not "use" any or many of the services which the local authority meets from the income derived from Council Tax collected by the said local authority.

Question 2)

It would appear that a simple declaration could be required from the owner of the property. This could be achieved when voters roles are updated. At present an occupier of a property is pursued if they do not return the submission for inclusion on the voters role.

Question 3)

We believe the challenge here may be for the local authority to draft and make know a clear, fair, and equitable policy. The costs in doing so may very well exceed the benefit for some authorities. The cost of making the changes through the legislative process for both central and local government may result in several years being required before the general economic benefits to financial benefits of these bodies becomes positive, for many ththe costs may never be recovered.

Question 4)

The one-year time limit seems fair and equitable and is generally understood. Any changes would incur local authorities cost in implementation. It could also cause even greater confusion amongst bodies who own properties across several local authority areas, such as RSLs, bodies corporate owning PRS stock etc. as it would increase the administrative burden on such bodies. Given Government's desire to encourage such investment in housing supply it has to be remembered that one of the obstructions often quoted is the cost of management and administration, Government requires to ensure it does not add to that burden.

Question 5)

There is a risk that this would only add to the administrative costs for local authorities and create no measurable benefit. Lack of consistent policy only creates more appeals against decisions.

Question 6)

We would strongly oppose such a proposal. As the consultation paper itself suggests this could have a negative impact on the sale and rental of property at a time in the economic cycle that the property market requires encouragement and support. A property owner claiming such relief is required to "prove their circumstances". In general a landlord does not wish to keep a property empty, although a discretion to allow a local authority to check a property was being marketed and was fit for purpose can and should be used.

Penalising an owner-occupier unable to sell could become a major consideration when wishing to relocate for employment purposes. This could impact on both mobility of labour and also consequentially on unemployment. Moves are often marginal in the financial circumstances of the workforce in moving from benefits it one area to gainful employment in another, but the benefit to the general economy is much greater with a reduction in state support and a positive contribution to GDP.



The construction industry would also see this as a dis-incentive to any form of speculative development. We suffered from a developer wishing to part or completely sell a development before starting to build, even when finance and market confidence was at its highest, with the current economic climate this situation is even more prominent and is one of many factor hindering the supply of house building so desperately needed. It could also increase the price of units penalised as the developer or seller may make a provision for such cost in the asking price.

Question 7)

We believe there should be no change. However if a change were to be made it should be no shorter a period than 3 months.

Question 8)

See Q5

Question 9)

Many lenders, after repossessing a property will either sell or rent a property. Some properties repossessed will also be left in such a condition that neither would be an option for the lender and some form of refurbishment will be undertaken to allow them to recoup their loan without recourse to write-off. It would however not seem unreasonable that this exemption was brought into line with other exemptions to ensure the property was not left empty and un-marketed for an excessive period.

Question 10)

It is questionable whether this would have any impact. Very often the ownership of empty properties is unclear. It could also be that the local authority themselves could be the cause through planning delays, compulsory purchase for redevelopment or regeneration.

Question 11)

No response

Question 12)

No response

Question 13)

It would seem appropriate that any income derived was used to create new housing stock.

Question 14)

See question 10

Question 15)

No response

Question 16)

This could have a negative impact on a person having a long leasehold in the same building as the freeholder may simply add that cost to the common charges for the building. Any change would require to safeguard that situation.



Question 17)

This would seem a reasonable proposal from the taxpayer standpoint and would also be more fair and equitable, as well as administratively acceptable for properties where the relevant person changes during the tax year.

Question 18)

This would seem a reasonable change although it has to be easily accessible without penalty to those who are elderly and may be computer illiterate, have no access to a computer or living in an area where Internet access is poor or non-existent.

Question 19)

This would appear consistent with the policy desire to encourage renewable energy.

Question 20)

This would seem a reasonable proposal.

Question 21)

No response

Question 22)

No response

