

COUNCIL TAX – EMPTY HOMES PREMIUM

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to provide Members with proposals for increasing the amount of Council Tax Empty Homes Premium charged on long term empty properties.

2 INTRODUCTION

- 2.1 The Local Government Finance Act 2012 amended previous legislation to allow Local Authorities to levy a 50% premium on properties which had been unoccupied and substantially unfurnished for 2 years or more.
- 2.2 The purpose of the legislation was to bring empty homes back into use.
- 2.3 It was agreed by Council at its meeting on 22 October 2013 to introduce this premium from 1 April 2014.
- 2.4 Further legislation has now been passed to enable Local Authorities to increase the amount of premium levied.

3 SALIENT INFORMATION

- 3.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 provides that the 50% premium may be increased as follows:-
- a) To 100% from 1 April 2019 for properties that have been unoccupied and substantially unfurnished for 2 years or more;
 - b) To 200% from 1 April 2020 for properties that have been unoccupied and substantially unfurnished between 5 and 10 years; and
 - c) To 300% from 1 April 2021 for properties that have been unoccupied and substantially unfurnished for 10 years or more.
- 3.2 There are two statutory exemptions. In these cases the long term empty premium cannot be charged:
- a) Where the property is left empty by a serving member of the armed forces, who is living elsewhere in accommodation provided by the Secretary of State for Defence; or where the property is the sole or main residence of a serving member of the armed forces, who is subject to a job-related discount at an alternative address provided by the Secretary of State for Defence.
 - b) Empty annexes.

- 3.3 It should be noted that the premium on long term empty homes is aimed at bringing empty homes back into use more quickly.

4 RISK IMPLICATIONS

- 4.1 The increase in empty homes premium could lead to an increase in appeals against Council Tax charges. The impact is mitigated through work being carried out by the Revenues & Benefits team and Private Sector Housing team who have been working with owners to bring empty homes back into use.

- 4.2 It is also possible that the proposed changes could lead to an increase in the number of properties that are falsely stated as being occupied and are therefore not liable to pay the premium. The Council undertakes compliance work to ensure that any instances of fraud are minimised.

5 RESOURCE IMPLICATIONS

- 5.1 Making changes to the level of the existing Empty Homes Premium means that, as the Billing Authority, the Council will have to undertake additional work associated with the administration of the change; however, this will be managed within existing resources.

- 5.2 Whilst the primary reason for the change in policy is not financially driven, a modest amount of additional income may be generated for the Council.

6 LEGAL IMPLICATIONS

The legal implications are contained within the body of the report.

7 EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.

- 7.2 The empty homes premium is not based on individual circumstances or family characteristics with the exception of the two statutory exemptions referred to in paragraph 3.2 above.

8 RECOMMENDATION

- 8.1 It is proposed that Council **RESOLVES**

- (a) That the Council Tax empty homes premium be increased as follows:-

To 100% from 1 April 2019 for properties that have been unoccupied and substantially unfurnished for 2 years or more;

To 200% from 1 April 2020 for properties that have been unoccupied and substantially unfurnished between 5 and 10 years; and

To 300% from 1 April 2021 for properties that have been unoccupied and substantially unfurnished for 10 years or more.

- (b) To apply the Council Tax empty homes premium in all cases that meet the criteria in (a) above with the exception of the statutory exemptions.



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Background Papers:-

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.