



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	7 FEBRUARY 2019
REPORT OF THE:	CHIEF FINANCE OFFICER ANTON HODGE
TITLE OF REPORT:	EMPTY HOMES AND COUNCIL TAX PREMIUM CHARGES
WARDS AFFECTED:	ALL WARDS

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To submit for members' consideration a policy of Council Tax premium charges for empty homes.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to approve the adoption of the premiums as set out in The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill 2017-19:
- From 1st April 2019 a 100% premium for properties that have been empty and unfurnished for 2 years or more. This will result in a 200% Council Tax charge.
 - From 1st April 2020 a 200% premium for properties that have been empty and unfurnished for 5 years or more. This will result in a 300% Council Tax charge.
 - From 1st April 2021 a 300% premium for properties that have been empty and unfurnished for 10 years or more. This will result in a 400% Council Tax charge.
- 2.2 These would come into effect if and when the Bill is ratified and becomes Law.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill 2017-19 is still awaiting final approval but has been further amended to allow for a new series of premiums to be charged.

- 3.2 Existing guidance also states while the decision to make a determination under Section 11B of the Local Government Finance Act 1992 is for billing authorities to make, the government would expect that due consideration is given to the health of the local housing market when making determinations.
- 3.3 The premiums are not intended to penalise owners of property that is genuinely on the housing market for sale or rent. However it should be noted that long-term empty dwellings have a detrimental effect on the council's new homes bonus income.

4.0 SIGNIFICANT RISKS

- 4.1 Without applying the premiums, there is risk that long-term empty dwellings have a detrimental effect on the council's new homes bonus income. For every property that becomes vacant for a period of 6 months or more, this negates off the total number of additions.
- 4.2 Empty homes can have a detrimental impact on the health of the local housing market.

REPORT

5.0 REPORT DETAILS

- 5.1 The Local Government Finance Act 2012 inserted a new section (11B) which enabled local authorities to charge a maximum 50% Council Tax premium in addition to the 100% Council Tax charge in relation to any long term empty domestic dwelling. Long term empty was classified as a dwelling which had been empty and unfurnished for 2 years or more.
- 5.2 Ryedale District Council determined with member approval that the 50% Council Tax premium should be charged from 1 April 2013 resulting in a 150% Council Tax charge for these properties and the premium has been confirmed at that rate for each subsequent year.
- 5.3 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill 2017-19 which is still awaiting final approval has been further amended to allow for the following premiums to be charged:
- From 1st April 2019 a 100% premium for properties that have been empty and unfurnished for 2 years or more. This will result in a 200% Council Tax charge.
 - From 1st April 2020 a 200% premium for properties that have been empty and unfurnished for 5 years or more. This will result in a 300% Council Tax charge.
 - From 1st April 2021 a 300% premium for properties that have been empty and unfurnished for 10 years or more. This will result in a 400% Council Tax charge.
- 5.4 Under the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, the government has prescribed two classes of dwellings which are exempt from the premium and it is assumed that these will remain so. These are:

- a dwelling which would otherwise be the sole or main residence of a member of the armed services , who is absent from the property as a result of such service
- a dwelling, which forms part of a single property that is being treated by a resident of that property as part of the main dwelling

5.5 Existing guidance also states while the decision to make a determination under Section 11B of the Local Government Finance Act 1992 is for billing authorities to make, the government would expect that due consideration is given to the health of the local housing market when making determinations.

5.6 The government's intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent. The government expects billing authorities to consider the reasons why properties are unoccupied and unfurnished, including whether they are available for sale or rent, and decide whether they want such properties to be included in their determination.

6.0 IMPLICATIONS

6.1 The following implications have been identified:

- a) Financial impact on New Homes Bonus
- b) Legal - none
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder) – impact on local housing market

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