

REPORT TO: Executive Board

DATE: 13 December 2018

REPORTING OFFICER: Operational Director, Finance

PORTFOLIO: Resources

SUBJECT: Change to the Rate of Council Tax Empty Homes Premium

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To consider increasing the level of Council Tax Empty Homes Premium to be levied on residential properties empty for more than two years, given the additional powers provided by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

2.0 RECOMMENDED: The level of Empty Homes Premium on dwellings that have been unoccupied for more than two years, be applied as follows:

- 1) From 1 April 2019, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished for more than two years;**
- 2) From 1 April 2020, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, and 200% premium for dwellings unoccupied for more than five years; and**
- 3) From 1 April 2021, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, 200% for dwellings unoccupied between five and ten years, and 300% for properties unoccupied for more than ten years.**

3.0 SUPPORTING INFORMATION

3.1 In order to deter owners of long term empty properties from continuing to leave them empty, the Local Government Finance Act 2012 allows billing authorities to levy an empty homes premium from 1 April 2013 of up to 50% in addition to the full council tax on dwellings which have been unoccupied and unfurnished for more than two years. Since 1 April 2013 Halton Borough Council has levied the maximum 50% on all such properties which do not fall into any statutory exemptions.

3.2 In 2017/18 a total of 291 out of 326 Councils applied an empty homes premium and all but 3 were charging the premium at the maximum 50% rate.

3.3 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, gives billing authorities further powers to increase the level of empty homes premium they can levy on properties empty for more than two years as follows:

From 1 April 2019 up to 100% premium can be charged in addition to the full council tax for each dwelling unoccupied and unfurnished for more than two years.

From 1 April 2020 up to 100% premium can be charged in addition to the full council tax for each dwelling unoccupied and unfurnished between two and five years, and 200% premium for dwellings unoccupied for more than five years.

From 1 April 2021 up to 100% premium can be charged in addition to the full council tax for each dwelling unoccupied and unfurnished between two and five years, 200% premium for dwellings unoccupied between five and ten years, and 300% premium for properties unoccupied for more than ten years

3.4 Since the introduction of the Empty Homes Premium the number of properties in Halton empty for more than two years has reduced from 250 at 1 April 2013 to 157 at 1 November 2018.

3.5 The breakdown of properties in Halton, empty for more than two years at 1 November 2018 is:

Between 2 – 5 years	65
Over 5 and up to 10 years	51
Over 10 years	41
Total	157

3.6 Based on the current number of empty properties, if the empty homes premium was increased from 50% to 100% from 1 April 2019, the extra amount billed, excluding parish, police and fire precepts, would be £80,912.

3.7 If the premium was further increased to 200% for properties empty over five years from 1 April 2020, an additional £95,073 could be billed from 1 April 2020.

3.8 If the premium was further increased to 300% for properties empty over ten years from 1 April 2021, an additional £43,479 could be billed from 1 April 2021.

- 3.9 It should be noted when considering the extra revenue raised, that should this legislation have the desired effect, ie. the number of properties empty for more than two years reduces, then any extra revenue raised will eventually reduce. Based on the experience since the introduction of the empty homes premium in 2013 it is expected that this outcome will be likely.

4.0 POLICY IMPLICATIONS

- 4.1 None.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The potential additional revenue is set out within the report. If the legislation has the desired effect the number of properties empty over two years will reduce so the potential additional revenue received as a result of increasing the empty homes premium will eventually be reduced.

6.0 IMPLICATIONS FOR THE COUNCILS PRIORITIES

6.1 Children and Young People in Halton

None.

6.2 Employment, Learning and Skills in Halton

None.

6.3 A Healthy Halton

None.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

- 7.1 Owners of empty properties will be informed in December 2018 of the decision to increase the level of empty homes premium ahead of 2019/20 bills being sent in March 2019.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 None.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D
OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact Officer
Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018	Kingsway House	Stephen Baker