

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF RESIDENTIAL & WELLBEING COMMITTEE ON 30 SEPTEMBER 2021

SUBJECT:	Council Tax - Empty Homes Discount
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REPORT AUTHOR:	ANDREW DALE – Revenues & Benefits Manager
DATE:	16 August 2021
EXTN:	01903 737630
AREA:	RESIDENTIAL SERVICES

EXECUTIVE SUMMARY:

Committee is asked to consider that the Council maximises the increased premiums payable for long term empty properties to be listed at Full Council for decision.

RECOMMENDATIONS: Committee is requested to:

The Residential and Wellbeing Committee is recommended to increase the premium on long term empty properties as follows:

- 100% premium from 1 April 2022 for those properties which are empty for 2 years and over
- 200% premium from 1 April 2022 for those properties which are empty for 5 years and over
- 300% premium from 1 April 2022 for those properties which are empty for 10 years and over

To give the Head of Residential Services delegated authority in exceptional circumstances to waive any premium on a case by case basis.

1.0 BACKGROUND:

- 1.1 Since 2013 Local Authorities have had discretion to vary the amount of Council Tax charged on long term empty properties, under the Local Government Finance Act 2012 (S11-13). The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings charged) Act 2018 now allows Local Authorities to increase the

Premium on long term empty properties. The purpose of this report is to consider the amount of premium the Council wish to charge going forward on long term empty properties.

- 1.2 From 1 April 2019 onwards, the government with new legislation are allowing councils to charge higher premiums in addition to the normal council tax bill. The premium increases the longer the property is left empty as below:

	2020/2021	2021/2022
Empty for up to 2 years	0%	0%
Empty for between 2 and 5 years	100%	100%
Empty for between 5 and 10 years	200%	200%
Empty for over 10 years	200%	300%

- 1.3 The council can choose to apply a premium up to the amount shown in the table. This means that a property left empty for over 10 years could pay up to quadruple (400%) council tax from April 2021.

- 1.4 The premium does not apply to any empty property qualifying for a Council Tax exemption, for example while waiting for probate to be granted or where the owner is now in a care home.

- 1.5 The intention of the change is to encourage owners of long-term empty properties to bring them back into use.

2.0 PROPOSAL

- 2.1 We are proposing that we implement these changes to our empty long term premiums as the intention of the discretionary power is to help local authorities increase the volume of their local housing stock by incentivising property owners to bring long term empty homes back into use to provide safe, secure and affordable homes. This will support local communities by increasing the supply of affordable housing available in the district.

- a) A certain level of empty homes is inevitable due to housing market churn; however, long term empty properties are more likely to deteriorate and may result in associated anti-social behaviour in an area.
- b) We are conscious that there are a variety of reasons why properties remain empty, but it is important to try and encourage homeowners to bring empty properties back into use particularly with the current pressure on finding housing for residents.

- c) There are currently 171 properties which have been unoccupied and unfurnished for more than two years within the district and therefore are already subject to an Empty Homes Premium.
- d) Bringing a home that is subject to the Premium back into use reduces the liability and potential receipt of that property

2.2 The proposal is to increase the Empty Homes premium from 1 April 2022 to:

	2022/2023
Empty for up to 2 years	0%
Empty for between 2 and 5 years	100%
Empty for between 5 and 10 years	200%
Empty for over 10 years	300%

2.3 Exceptions to the empty property premium

2.3.1 The local discretionary Council Tax relief policy at Arun District Council provides support for customers who are suffering hardship or other exceptional circumstances affecting their ability to pay council tax. Where a customer is having trouble selling a property, payment of council tax can be deferred until the sale and in some exceptional cases, with the approval of the Head of Residential Services, the empty property premium will be waived.

2.3.2 There are however some rare occasions where it may be appropriate to reduce or waive the premiums that are not currently covered by the discretionary relief policy. It is proposed that the policy is amended to allow consideration where a property already attracts the premium and is purchased by someone intending to live there but unable to do so immediately due to its condition or where the property is going through structural repairs and there are exceptional circumstances. Any exception period would be determined by the Council on receipt of the relevant evidence and/or documentation for the approval of the Head of Residential Services.

2.4 Policy Context

2.4.1 Full Council approved the charging mechanism for empty homes from 1st April 2013. The Council currently charges long term empty dwellings at the previous maximum rate of an additional 50% after having been empty for 2 years. The Premium aims to assist Local Authorities in the implementation of local Empty Homes Strategies. It was designed to persuade owners of registered long term empty homes to take steps to bring those homes back into use.

- a) From April 2019 the Premium charge can be increased to an extra 100% of the occupied Council Tax

b) From 1st April 2020 for properties empty between 5 & 10 years the Premium can be increased to 200%.

c) From April 2021 properties empty for more than 10 years the Premium can be increased to 300% of the occupied Council Tax.

2.4.2 It is important that we provide maximum financial help to local people to help them secure housing and help the local economy. It is also key that we adopt policies for these additional funding streams that will ensure fairness and that funding from the Government is maximised to help the vulnerable in our district by freeing up empty properties that can be brought back into use.

3.0 OPTIONS:

3.1 That the Council increases its empty premium in line with new legislation as follows:

a) 100% premium from 1 April 2022 for those properties which are empty for 2 years and

b) 200% premium from 1 April 2022 for those properties which are empty for 5 years and

c) 300% premium from 1 April 2022 for those properties which are empty for 10 years and over

3.2 OTHER OPTIONS CONSIDERED

3.2.1 Stop the Premium charge

3.2.2 Leave the Premium charge at the existing level (50%)

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		x
Relevant District Ward Councillors		x
Other groups/persons (please specify)		x

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	x	
Legal		x
Human Rights/Equality Impact Assessment		x
Community Safety including Section 17 of Crime & Disorder Act		x
Sustainability		x
Asset Management/Property/Land		x
Technology		x
Other (please explain)		x

6.0 IMPLICATIONS:

6.1 Financial:

6.1.1 There are currently 171 properties in the borough that have been empty for over 2 years. The current premium generates an additional income for the authority above the current standard Council Tax charge of £191.52.

6.1.2 Increasing the premiums in line with the maximum amounts set out in the legislations could generate additional income for ADC of £34,878 in 2021/22

6.2 The above forecasts are subject to the number of empty properties remaining the same would reduce if the proposed implementation of the increased premium has the desired effect of reducing the number of long-term empty properties. The figures exclude any allowance for non-collection (assumed to be 1% in the tax base calculation). The table below summarises the annual additional income attributable to the Council (excluding preceptor elements):

Long Term Empty Properties	A	B	C	D	E	F	G	H	Total	Band D equivalent
Empty between 2 and 5 years	27	38	30	24	14	7	9	1	150	142.5
Empty between 5 and 10 years	6	3	5	1	3	2	0	0	20	18.3
Empty over 10 years	0	0	0	1	0	0	0	0	1	1

6.3 The breakdown of long-term empty properties based on the equivalent of a Band D property is shown below, alongside the potential increases in the tax base and council tax income.

	Increase 2022/23
Empty between 2 and 5 years	142.5 @ 100%
Empty between 5 and 10 years	18.3 @ 200%
Empty over 10 years	1 @ 300%
Band D Council Tax	191.52
Additional Income (Arun DC)	£34,878

7.0 REASON FOR THE DECISION:

7.1 To reduce the number of long term empty properties in the district and maximise available income from Council Tax.

8.0 BACKGROUND PAPERS:

8.1 [The Rating \(Property in Common Occupation\) and Council Tax \(Empty Dwellings\) Act 2018](#)