

Report Title:	Long Term Empty Homes Premium
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor S Rayner, Lead Member for Culture and Communities (including Customer and Business Services)
Meeting and Date:	Council - 11 December 2018
Responsible Officer(s):	Andy Jeffs – Executive Director Louise Freeth – Head of Revenues & Benefits
Wards affected:	All

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REPORT SUMMARY

1. Since April 2013, where a domestic property has been empty and unfurnished for 2 years or more, councils have the opportunity to levy a premium of up to 50% of the council tax charged on the property.
2. The Royal Borough has chosen to implement this premium, to encourage owners of properties to bring them back into use, and therefore such properties are charged 150% of the appropriate level of Council Tax.
3. New legislation has just received Royal assent, and enables councils to increase the premium to 100% for those properties empty for 2-5 years.
4. It is requested that Council consider implementing the new 100% premium on properties empty for 2-5 years from 1 April 2019. Should the number of empty properties in this category not reduce from current levels the Royal Borough's share of estimated additional Council Tax would be £190,000.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Council notes the report and:

- i) **Approves increasing the Long Term Empty Property Premium from 50% to 100% in line with the new legislation.**

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Local Government Finance Act of 2012 introduced an ability for council's to charge up to 150% of the relevant Council Tax on a property where it had been empty and unfurnished for 2 years or more.
- 2.2 The Royal Borough chose to implement this change from April 2013 and now charges an Empty Homes Premium of 50% on these Long Term Empty (LTE) properties.

- 2.3 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act received Royal Assent on 1 November 2018, and seeks to increase the level of Empty Homes Premium available to councils.

Table 1: Options arising from this report

Option	Comments
To increase the LTE Premium from 50% to 100% of the relevant Council Tax charge from 1 April 2019 Recommended option	This will encourage owners of empty properties to bring them back into use and where they do not raise additional funds into the collection fund.
Maintain the level of the LTE Premium at its existing level of 50% This is not the recommended option.	The opportunity to encourage the re-occupation of properties will be lost, along with the increase in Council Tax revenue where not.

3. KEY IMPLICATIONS

- 3.1 The Act allows councils to charge up to 100% on LTEs from 1 April 2019 which would result in taxpayers being charged up to 200% of the standard Council Tax for their property. This charge is levied irrespective of whether the period the property was empty commenced prior to 1st April 2019.
- 3.2 The Act seeks to increase the Premium in a phased approach as outlined below:
- April 2019: up to 100% for properties empty between 2 and 5 years
 - April 2020: up to 200% for properties empty between 5 and 10 years
 - April 2021: up to 300% for properties empty for 10 years or more.

Table 2: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Increasing the LTE Premium from 50% to 100%	The Premium remains at 50%	Increasing the LTE Premium from 1 April 2019	N/A	N/A	1 April 2019

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The Royal Borough currently has 330 LTE homes, which attract the LTE Premium, and are therefore charged an additional 50% of their relevant Council Tax charge.
- 4.2 Analysis of the relevant bands for these properties shows that the additional 50% charge currently levied enables the Royal Borough to realise an additional £190,000, per annum, into the collection fund from the 50% Premium. It should be noted however that this figure is subject to change as properties become occupied and others remain empty, thereby triggering the current premium at different times of the year.

- 4.3 If the Royal Borough chose to adopt the increased charge, it could raise a further £190,000 in Council Tax from April 2019. This figure represents the Royal Borough's share of the increased charge levied and assumes that the full 100% charge is approved.
- 4.4 As there is currently a LTE Premium charged, there are no implications with regard to increased spend or capital costs associated with this recommendation.

5. LEGAL IMPLICATIONS

- 5.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act received Royal Assent on 1 November 2018 therefore the legal framework for this proposal already exists.

6. RISK MANAGEMENT

- 6.1 The numbers of LTE properties within the Borough is a dynamic number and subject to change. Homeowners may prefer to occupy or sell their property rather than be subject to the increased charge.

Table 3: Impact of risk and mitigation

Risks	Uncontrolled risk	Controls	Controlled risk
The number of LTE properties falls significantly.	Medium	The number of LTE properties has remained at a similar level since the 50% Premium was introduced.	Low

7. POTENTIAL IMPACTS

- 7.1 An Equality Impact Assessment was not considered necessary for this report as legislation already provides for anyone to make an application for sums charged in respect of Council Tax to be remitted should it be in the interests of the local taxpayer. Any applications would be considered on an individual basis.

8. CONSULTATION

- 8.1 This matter has been considered by the Lead Member for Finance and the Lead Member for Culture and Communities (including Customer and Business Services).

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Implementation date if not called in: 1 April 2019.

10. APPENDICES

None.

11. BACKGROUND DOCUMENTS

11.1 This report is supported by 1 background document:

- The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings Act) 2018.
<https://www.legislation.gov.uk/ukpga/2018/25/section/2/enacted#section-2-2-b>

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr S Rayner	Lead Member for Culture & Communities (including Customer and Business Services)	29/11/18	29/11/18
Cllr M J Saunders	Lead Member for Finance	29/11/18	
Russell O'Keefe	Acting Managing Director	29/11/18	29/11/18
Rob Stubbs	Section 151 Officer	29/11/18	
Elaine Browne	Interim Head of Law and Governance	29/11/18	29/11/18
Nikki Craig	Head of HR and Corporate Projects	29/11/18	30/11/18
Louisa Dean	Communications	29/11/18	
Andy Jeffs	Executive Director	29/11/18	29/11/18
Kevin McDaniel	Director of Children's Services	29/11/18	30/11/18
Angela Morris	Director of Adult Social Services	29/11/18	
Hilary Hall	Deputy Director of Commissioning and Strategy	29/11/18	30/11/18

REPORT HISTORY

Decision type:	Urgency item?	To Follow item?
Non-key decision	No	No
Report Author: Louise Freeth, Head of Revenues & Benefits, 01628 685664		