

Report to Cabinet



Date of Meeting	2 nd December 2019
Portfolio	Leader of the Council and Cabinet Member for Finance
Report Author	Keith Mackenzie
Public/Private Document	Public

Council Tax Empty Property Charges

Executive Summary

1. This report seeks approval to increase the council tax empty property premium from 100% to 200% with effect from 1 April 2020 for properties that have been empty in excess of 5 years.

Recommendation

2. Cabinet is recommended to approve the empty property premium increase.

Reason for Recommendation

3. In April 2013, Government gave local authorities power to determine the level of empty property discounts in dwelling classes B, C and D (Section 12 of the Local Government Finance Act 2012). The power included an option to charge a premium of up to 50% where a property has been empty in excess of two years. The Council decided to introduce a 50% premium with effect from 1 April 2013 and increased this to 100% with effect from 1 April 2019.

From 1 April 2020, Government is increasing the optional maximum empty property premium charge to 200% for properties that have been empty in excess of 5 years.

With effect from 1 April 2021, Government is also increasing the optional maximum empty property premium charge to 300% for properties that have been empty in excess of 10 years.

Key Points for Consideration

4. In April 2013, there were 552 properties in the Rochdale borough which were subject to the empty property premium charge; this has reduced to 238 by November 2019, 95 of which have been empty in excess of 5 years.

The charging of a premium is part of the Council's overall strategy of bringing long-term empty homes back into use at the earliest opportunity.

Long-term empty homes have a negative impact on surrounding homes and areas, and while tackling empty homes will not provide a solution to the need for new homes, it is an important part of making best use of the existing housing stock.

Other benefits include:

- Improving housing conditions and reducing anti-social behaviour in the vicinity of the empty properties.
- Reducing pressure on the existing housing stock.
- Providing opportunities for local suppliers in the property and construction trades, and on a larger scale can support training and employment by local companies carrying out any necessary renovation and building work.

On implementation of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, Local Government Minister, Rishi Sunak, said: "It is simply wrong that, while there are 200,000 long-term empty properties across the country, thousands of families are desperate for a secure place to call home."

"This new power will equip councils with the tools they need to encourage owners of long-term empty properties to bring them back into use – and at the same time tackle the harmful effect they have on communities through squatting, vandalism and anti-social behaviour."

4.1 **Alternatives Considered**

The empty property premium could remain at 100%. However, Government has identified that additional measures are needed to continue the improvements already made and have amended the legislation.

Of the 238 properties that are currently subject to the premium, 61 have been empty in excess of 5 years and a further 34 in excess of 10 years, so there are still problems locally that need to be addressed and the 100% premium isn't working in these cases.

The 95 long-term empty properties that have been empty in excess of 5 years and the other 143 that have been empty more than 2 years are causing problems in their communities and adding pressure on the overall housing stock.

Costs and Budget Summary

5. This change is expected to raise an additional £125,000 in council tax income in 2020/21. This amount reflects the fact that this measure should help to further reduce the overall number of long-term empty properties.

Risk and Policy Implications

6. There is a risk that some owners may refuse to pay the increased premium charge, but there are adequate legislative powers in place to enforce collection. These include Charging Orders, forcing sale or Compulsory Purchase Orders.

Consultation

7. No consultation is required. However, the owners of these 95 properties are already known to officers and contact will be made with them to advise of the change and to promote some of things the Council can offer to assist them in bringing the property back into use.

Background Papers	Place of Inspection
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| 8. None | |
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