

Report to Council



Date of Meeting	16 December 2020
Portfolio	Cabinet Member for Corporate Delivery
Report Author	Carolyn Goddard
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 200% to 300% with effect from 1 April 2021 for properties that have been empty in excess of 10 years.

Recommendation

2. That the empty property premium increase be approved.

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.
 - 3.1 From 1 April 2020, Government increased the optional maximum empty property premium charge to 200% for properties that have been empty in excess of 5 years. The Council decided to introduce this 200% premium with effect from 1 April 2020.
 - 3.2 From 1 April 2021, Government is 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 by 202 to 350 by November 2020, 46 of which have been empty in excess of 10 years.

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 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.”
- 4.5 “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.”

Alternatives Considered

- 4.6 The empty property premium could remain at 200%. However, Government has identified that additional measures are needed to continue the improvements already made and have amended the legislation.
- 4.7 Of the 350 properties that are currently subject to the premium, 95 have been empty in excess of 5 years and a further 46 in excess of 10 years, so there are still problems locally that need to be addressed and the 100% and 200% premiums aren’t working in these cases.
- 4.8 The 141 long-term empty properties that have been empty in excess of 5 years and the other 209 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 £67,000 in council tax income in 2021/22. 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. The proposals are permitted under the Rating (Property in Common Operation) and Council Tax (Empty Dwellings) Act 2018. The purpose of these wider powers is to encourage owners of long term empty properties to find ways of bringing them back into use. The powers are not specifically designed by government to increase revenue.
- 6.1 The premium cannot apply to homes that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of a main property. There are also specific statutory exemptions for properties left empty for a specific purpose, for example, when a person goes into care.
- 6.2 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, Empty Dwelling Management Orders, Enforced Sale Proceedings or Compulsory Purchase Orders.

Consultation

7. No consultation is required. However, the owners of these 46 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
8. There are no background papers for this report	

For Further Information Contact:	Carolyn Goddard, Tel: 01706 926051, Carolyn.Goddard@Rochdale.Gov.Uk
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