Council	Agenda Item 48
13th December 2018	Brighton & Hove City Council

Subject:	**Empty Homes Council Tax Premium**
Date of Meeting:	**13th December 2018** 6th December 2018 – Policy, Resources & Growth
Report of:	**Executive Director for Finance & Resources**
Contact Officer: Name:	**James Hengeveld** Tel: 01273 291242
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Ward(s) affected:	**(All Wards);**

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 On 1 November 2018 new legislation was introduced to enable councils to charge higher council tax premiums on long-term empty dwellings.

1.2 A report was presented to this committee on the charging proposals for long-term empty homes on 11 October 2018 but at that time royal assent on the new legislation had not been received.

1.3 This report looks to introduce the maximum premiums allowable for empty homes within Brighton & Hove from 1 April 2019.

2. RECOMMENDATIONS:

That the Policy, Resources & Growth Committee recommends that Council:

2.1 Approves that the Empty Home Premium is increased to the maximum levels as set out in table 1 at paragraph 3.2 after two years of the dwelling remaining empty.

2.2 Makes the formal determinations for the financial year commencing on 1 April 2019 and subsequent financial years as set out in Appendix 3.

2.3 Grants delegated authority to the Executive Director of Finance & Resources to take all appropriate steps to implement and administer the recommendations in 2.1 and 2.2, including the publishing of any related data or information in accordance with statutory requirements.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 The background information on the charging proposals for empty homes was included in the report to this committee on 11 October 2018 and is attached at Appendix 2.

3.2   The new legislation introduced on 1 November 2018 enables councils to charge 100% premiums from April 2019, 200% premiums from April 2020 and 300% premiums from 2021 based on the length of time a property has been empty. The table below shows the applicable percentages that will be charged.

TABLE 1 – Empty Home Premium percentages

Length of time empty	Current Empty Home Premium	Empty Home Premium from April 2019	Empty Home Premium from April 2020	Empty Home Premium from April 2021
2 years + to 5 years	50%	100%	100%	100%
5 years + to 10 years	50%	100%	200%	200%
10 years +	50%	100%	200%	300%

4.   ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1   The council could choose not to implement the new charging regime. This would result in the extra income not being available to the council, and potentially miss out on incentivising domestic property owners to bring properties back into use.

5.   COMMUNITY ENGAGEMENT & CONSULTATION

5.1   There is no statutory requirement to consult although consultation took place prior to introducing an additional charge for long term empty properties in 2012. This proposal is a variation to the level of premium rather than introducing a new premium.

6.   CONCLUSION

6.1   The council has the opportunity to extend charges for empty properties. This will potentially incentivise more homes being brought back into use and increase income.

7.   FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1   The additional council tax income in 2019/20 is estimated to be up to £0.100m dependant on the impact of the higher charges on the number of empty properties. The additional income will be reflected in the Council Tax base report to this committee in January 2019 and in future years.

Finance Officer Consulted: James Hengeveld   Date: 19/11/18

Legal Implications:

7.2   The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act enables the Council to charge the empty property premiums as set out in the report. Approval is required by full Council pursuant to the Local Government Finance Act 2012 prior to 1 April 2019 in order to implement the charges for the financial year 2019/20.

        Lawyer Consulted: Elizabeth Culbert   *Date:* 20th November 2018

        Equalities Implications:

7.3   The largest proportion of empty properties that may be affected are owned by individuals, though there is no full data on their equality profile. However, based on the knowledge and experience of the Empty Property Team, vulnerable people are not the majority of owners. No specific impacts on people sharing a protected characteristic are identified, as there is no pattern to people who own properties that will be liable to for this charge. As in the original introduction of the scheme (at 50%), exemptions remain for people who have entered a care home, or where the property is awaiting probate (there are time limits in relation to probate, but these will be explained and as of Aug18 there were only 5 executors listed as receiving the Empty Home Premium charge). There are separate exemptions in Council Tax that mean people in those situations would not be subject to the premium, as they do not have to pay council tax while those exemptions apply. Local Authorities do not have discretion to change these areas. Also as before, communication with each owner is planned, to raise awareness of the change and maximise the opportunity for owners to sell or let. This communication will be available in multiple formats to ensure accessibility. Encouraging empty properties back into use will increase housing availability in the city, which will benefit those families and individuals most in housing need.

        Sustainability Implications:

7.4   Homes that are brought back into use are more likely to be maintained appropriately and less likely to contribute to urban decay and social problems in the communities affected.

        Any Other Significant Implications:

7.5   None.

SUPPORTING DOCUMENTATION

Appendices:

1.   Recommendation for council from 'Charging Proposal for Empty Homes' report to Policy, Resources & Growth Committee on 11 October 2018

2.   Copy of 'Charging Proposal for Empty Homes' report to Policy, Resources & Growth Committee on 11 October 2018

3.   Determination to be made by Council

Documents in Members' Rooms

1.   None

Background Documents

1.   None