

NON KEY DECISION: REPORT TO CABINET MEMBER

DECISION TO BE TAKEN BY: Councillor Adam Stokes
Cabinet Member for Finance

REPORT AUTHOR: Richard Wyles, Assistant Director - Resources

REPORT NO. CFM488

DATE: 14 January 2019

SUBJECT OF NON KEY DECISION:	COUNCIL TAX FOR LONG TERM EMPTY DWELLINGS
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CABINET MEMBER REMIT:	COUNCILLOR ADAM STOKES	
CRIME AND DISORDER IMPLICATIONS:	N/A	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's website www.southkesteven.gov.uk via your Council and Democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	N/a	

(1) PURPOSE OF REPORT

To seek approval to amend the Council Tax chargeable amounts in respect of long term empty dwellings accordance with legislative changes contained in Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018. The legislation makes changes to the premium levels for empty properties that are introduced over the next 3 financial years.

(2) RECOMMENDATION(S)

The Cabinet member for Finance is asked to approve the following changes in respect of long term empty dwellings:

2019/20 increase premium charge from 50% to 100% for long term empty dwellings over 2 years

2020/21 increase premium charge to 200% for long term empty dwellings over 5 years

2021/22 increase premium charge to 300% for long term empty dwellings over 10 years

(3) REASONS FOR RECOMMENDATION(S) (including any alternative options considered and rejected)

Billing authorities in England have the power to increase council tax in respect of dwellings which have been 'unoccupied and substantially unfurnished' for a long period of time. This is known as the 'empty homes premium'. It is for the billing authority to decide whether to levy an empty homes premium.

In England, billing authorities can currently charge up to 150% on dwellings which have been unoccupied and substantially unfurnished for over two years. New legislation has been introduced that allows increases from 2019-20 onwards.

Currently a discount of 100% (i.e. no Council Tax charge) is awarded for the first month on any unoccupied and substantially unfurnished property, followed by a 25% discount for a further five months. After this a full 100% charge applies if it remains unoccupied and substantially unfurnished. Any dwelling that remains unoccupied for more than two years then incurs a premium charge of 50% Council Tax.

New legislation is now introduced that comes into effect from 2019/20 financial year that allows the following:

- 100% premium (i.e. extra) for substantially unfurnished dwellings empty for 2-5 years
- 200% premium (i.e. extra) for substantially unfurnished dwellings empty for 5-10 years (commencing in 2020/21)
- 300% premium (i.e. extra) for substantially unfurnished dwellings empty for 10+ years (commencing in 2021/22)

For information the table below shows the number of properties in SK that as at the time of the report fall into one of the above categories.

Empty period	Number of empty dwellings
2-5 years	100
5-10 years	31
10+ years	28

The primary objective of the premium charge is to encourage the property owners to proactively seek occupancy of the residential property in order to help maximise occupancy of the housing stock in the district. Introducing premiums to our Council Tax charges is one tool in delivering this objective.

It is recognised that applying the charge is a discretion that the Council has and in specific circumstances officers will take into consideration the Government guidance which is contained at <https://www.gov.uk/government/publications/council-tax-empty-homes-premium>.

The necessary communication and notifications will be issued to property owners in advance of the new charging arrangements in order to ensure those affected by the change are given notice.

(4) COMMENTS FROM FINANCIAL SERVICES

These are included in the report.

(5) COMMENTS FROM LEGAL AND DEMOCRATIC SERVICES

These are included in the report.

(6) OFFICER CONTACT

Richard Wyles
Assistant Director Resources
r.wyles@southkesteven.gov.uk

(7) DATE DECISION EFFECTIVE:

If decision taken on Monday 21 January 2019 the date that the decision will be effective will be Wednesday 30 January 2019 subject to no call-in being received.