

Part A

Report to: Cabinet

Date of meeting: 11 February 2019

Report author: Nick Smith Revenues Manager

Title: Council Tax - Changes to long term empty homes premium

1.0 Summary

1.1 This report sets out the proposed changes to the Authority's treatment of a property empty over 2 years, due to recent changes in Council Tax legislation.

2.0 Risks

2.1 None

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Collecting additional Council Tax premium levy		Minimal due to number of properties empty over 2 years	Tolerate	2

3.0 Recommendations

3.1 Cabinet is requested to recommend to Council the adoption of proposed changes with effect from 1 April 2019.

Further information:

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Report approved by: Jane Walker, Head of Revenues & Benefits

4.0 Detailed proposal

- 4.1 Since 2013, local authorities in England have had the power to charge a council tax premium of up to 50% on 'long-term empty dwellings' – that is, homes that have been unoccupied and substantially unfurnished for two years or more. This premium is in addition to the usual council tax charge that applies to that property.
- 4.2 To help reduce the number of long-term empty properties further, at the November 2017 Budget, the Chancellor announced the Government's intention to legislate to bring the maximum in England up to 200%. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 has brought in this power with effect from the 2019-20 financial year, this amends section 11B of the Local Government Finance Act 2012. This now gives local authorities the tools to increase council tax on long-term empty homes, and the incentive for owners of such properties to bring them back into use.
- 4.3 As at 7 January, 2019, Watford Borough Council has 63 properties that have been empty over 2 years, breakdown of properties against individual Bands is as follows;

Band	A	B	C	D	E	F	G	H
No. of Properties Empty over 2 years	0	10	21	21	3	1	7	0

- 4.4 Watford Borough Council currently applies an additional 50% premium on properties that have been continuously empty and unfurnished for more than 2 years, as agreed at Full Council meeting on 30 January, 2013. With effect from 1 April 2019, it is proposed to change the charges as follows in line with the provisions of the 2018 Act;
- From April 2019 onwards to charge a 100% premium
 - From April 2020 onwards to increase the premium to 200% for properties that have been empty for more than 5 years.
 - From April 2021 onwards to increase the premium to 300% for properties that have been empty for more than 10 years.
- 4.5 The government's intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent, but to strengthen local authorities attempts to bring empty homes back in to use in order to provide additional housing given the current housing climate.

5.0 **Implications**

5.1 **Financial**

5.1.1 The Shared Director of Finance comments that the impact of these proposals is that any additional income generated will flow through the collection fund, although it is not anticipated that this would be a significant amount.

5.2 **Legal Issues (Monitoring Officer)**

5.2.1 The Head of Democracy and Governance comments that this is a recommendation to Council and must be approved before the start of the new financial year to be effective for 2019/20.

5.3 **Equalities, Human Rights and Data Protection**

5.3.1 An equalities impact assessment will be completed.

5.4 **Staffing**

5.4.1 None specific

5.5 **Accommodation**

5.5.1 None specific

5.6 **Community Safety/Crime and Disorder**

5.6.1 None specific

5.7 **Sustainability**

5.7.1 None specific

Background papers

No background papers were used in the preparation of this report.