

Bath & North East Somerset Council

MEETING	Council	
MEETING DATE:	14 November 2019	
TITLE:	Council Tax – Long Term Empty Property Premiums	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

- 1.1 Council has the discretion to amend the council tax premium charged for long-term empty properties, and encourage the return of empty dwellings for occupied homes.

2 RECOMMENDATION

Council is asked to;

- 2.1 Increase the council tax empty homes premium to 100% for properties empty for between two and five years, from 1st April 2020; and
- 2.2 Increase the council tax empty homes premium to 200% for properties empty for five years or more, from 1st April 2020

3 THE REPORT

- 3.1 Section 2 of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 (The Act) provides councils with the discretion to increase the percentage of council tax payable in respect of long term empty properties, up to 300% in some instances.
- 3.2 Currently, Bath & NE Somerset charge a 50% council tax premium on domestic property empty for more than two years, as an incentive to bring them back in to use.

- 3.3 Since the introduction of the premium in April 2013, the number of long term empty dwellings in Bath & NE Somerset has plateaued in recent years.
- 3.4 The council currently have 225 long term empty homes subject to the 50% council tax premium, up from 218 in 2018/19.
- 3.5 The rationale behind increasing the premium is to provide owners with a further incentive to bring empty homes back in to use, thus supporting the aims of the Council's Empty Residential Homes Policy.
- 3.6 The Act gives councils the ability to increase the 50% premium as follows:
- (1) 100% for properties empty for between two and five years from 1st April 2020
 - (2) 200% for properties empty for between five and ten years from 1st April 2020
 - (3) 300% for properties empty for over ten years from 1st April 2021
- 3.7 Should Members decide to increase the premium as in 3.6 (1) and 3.6 (2) above, the estimated additional yield of council tax is as follows:
- (1) 159 properties empty for between two and five years: £129,131
 - (2) 66 properties empty for between five and ten years: £162,544
- 3.8 The total estimated additional yield of council tax is therefore £291,675
- 3.9 This report does not propose to amend the premium from April 2021 at this stage. An impact assessment on the level of long term empty homes would be beneficial before any decision is taken to further amend the premium from 2021.

4 STATUTORY CONSIDERATIONS

- 4.1 This report has been written in accordance with the provisions of The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.
- 4.2 Consideration has also been given to the council's Empty Residential Homes Policy 2018 and the implications long term empty properties have on residents living in their locality.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The recommendations in the report will further incentivise owners of long term empty properties to return them to occupation, thus increasing homes available in accordance with the council's Empty Residential Homes Policy.
- 5.2 Whilst the numbers of long term empty properties remain, the recommendations in this report will deliver an estimated additional council tax yield of around £290,000, the Council's share after excluding the amount relating to the Police, Fire and Parishes is estimated at £236,000.

5.3 If the proposed changes are agreed, the revised premiums will be factored into the Council Tax Taxbase calculations for 2020/21 and the Council Tax income estimates used as part of setting the revenue budget.

6 RISK MANAGEMENT

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6.2 An equalities Impact Assessment has been undertaken in accordance with Council Policy.

7 CLIMATE CHANGE

7.1 The subject matter of this report does not have any impact on climate change.

8 OTHER OPTIONS CONSIDERED

8.1 The council could continue with the current 50% council tax long term empty premium. However, it would not further incentivise owners to bring their empty properties back in to use or provide the Empty Properties Officer further leverage in delivering the Empty Residential Homes Policy.

9 CONSULTATION

9.1 The S151 Officer and the Director of Legal Services have been consulted on these proposals.

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Background papers	none
Please contact the report author if you need to access this report in an alternative format	