

Cherwell District Council

Portfolio Holder Report for Portfolio Holder for Finance

Council Tax Empty Homes Premium Policy

12 August 2022

Report of the Assistant Director of Finance

This report is public

Purpose of report

To update and seek agreement on the proposed policy for prohibiting the Council Tax Empty Homes Premium

1.0 Recommendations

The Portfolio Holder is recommended:

- 1.1 To approve the proposed policy for the Council Tax Empty Homes Premium

2.0 Introduction

- 2.1 From 1 April 2013, billing authorities may charge a premium on a class of property that has been unoccupied and substantially unfurnished for two years or more. The premium can be up to 50% of the council tax on the property. From 1 April 2019 the premium can be up to 100% of the council tax on the property.
- 2.2 Cherwell District Council commenced charging the additional premium effective from 1 April 2016
- 2.3 While the decision to make a determination under Section 11B of the Local Government Finance Act 1992 is for billing authorities to make, the government would expect that due consideration is given to the health of the local housing market when making determinations.
- 2.4 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.

3.0 Report Details

- 3.1 The Council accepts that there are certain circumstances where it is reasonable to consider deferring the Premium. These are as follows: -
- Where the owner can clearly demonstrate continuous, ongoing, and realistic efforts to sell or let their property over the last two years since it become empty
 - Where the owner is experiencing legal or technical issues which is preventing the sale or letting of the property – ***Evidence from a legal professional will be required in these circumstances giving an indication of a when the legal/technical issue should be resolved***
 - With effect from 1 April 2019, where the property had been empty for two years or more and the new owner needs to carry out major repairs before they move in. In this scenario the decision to grant a full or partial waiver will consider the major repairs required and what is considered a reasonable time to complete the repairs – ***A surveyor's report may be requested in these circumstances including an indication of the likely time to carry out repairs.***
- 3.2 Where the Council agrees to defer the Premium, this will mean that the Owner of the Property will remain liable only for the standard Council Tax charge this will be at the rate of 100% for the applicable property for the agreed period of deferral.
- 3.3 It is expected that the property will have been brought back into occupation by the end of the period of deferral. Where this is the case, the Premium will no longer apply.
- 3.4 Each application for a deferral of the Council Tax Empty Homes Premium will be considered on its own merits and in accordance with the proposed Policy. See appendix 1
- 3.5 The Council will decide the length of time for which the Premium will be deferred. As indicated above, this will be on basis of the evidence supplied and the facts known. The maximum period for deferring the Premium will be 12 months.
- 3.6 The Council reserves the right to make routine inspections of the property during the period of the deferral and may review the award to satisfy itself that the circumstances of the deferral remain applicable.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Recommended to comply with the councils objective of reducing the number of long term empty properties.

5.0 Consultation

Not required

6.0 Alternative Options and Reasons for Rejection

None

7.0 Implications

Financial and Resource Implications

- 7.1 Any changes to the premiums will be accommodated as part of the budget process with final estimates included in the annual council tax base calculation.

Comments checked by:

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Legal Implications

- 7.2 The Rating (property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 amended Section 11B of the Local Government Finance Act 1992, empowering a billing authority to determine the percentage applicable (a premium) on long-term empty dwellings from 1 April 2019. The bill became an Act of Parliament on 1 November 2018.

- 7.3 It is the councils discretion to prohibit a premium for council tax being charged on long term empty properties.

Comments checked by:

Shahin Ismail, Assistant Director of Law, Governance & Democratic Services
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Risk Implications

- 7.3 The introduction of a policy reduces the risk of the Council being successfully challenged on any decisions it takes in line with its policy.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 07580 031776,
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Equalities and Inclusion Implications

- 7.4 There are no equalities and inclusion implications associated with this report.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 07580 031776,
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8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Adam Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

- Appendix 1 – Council Tax Empty Homes Premium Policy

Background papers

None

Report Author and contact details

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