



Report to: Cabinet Meeting – 23 January 2024

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive & Director - Resources

Lead Officer: Nick Wilson, Business Manager – Financial Services, Ext. 5317

Report Summary	
Type of Report	Open Report, Key Decision
Report Title	Council Tax Empty Homes Premium
Purpose of Report	To update Cabinet with the current position relating to Council Tax empty homes premium charges and collection. To enable Cabinet to consider changing the trigger date for charging empty home premium from two years to one year.
Recommendations	That Cabinet recommends to Full Council the proposal to increase the long-term empty home premium as set out in paragraph 2.7 of the report, effective from 1 April 2024.
Alternative Options Considered	The alternative is to leave charging unchanged.
Reasons for Recommendations	To assist the Council with achieving its objectives of increasing the supply, choice, and standard of housing by reducing the number of empty homes across the district.

1.0 Background

- 1.1 In the Local Government Act 2012 Local Authorities in England were given delegated powers, under Section 11B of the Local Government Finance Act 1992 (as amended), to increase Council Tax by adding up to 50% to the Council Tax charge on some long-term empty properties. This is known as the 'long term empty home premium'. The amount that Councils can charge was changed in the Rating (Property in Common Occupation) & Council Tax (Empty Dwellings) Act 2018.
- 1.2 In a report to Cabinet on 6 December 2012, it was agreed that the amount of Council Tax payable in respect of properties empty for more than 2 years, should be subject to an empty home premium of 50% of their Council Tax payable, where regulations permit.
- 1.3 In a report to Cabinet on 21 February 2023, it was agreed that the amount of Council Tax payable in respect of long-term empty homes, be increased to the maximum allowed in regulations, for properties empty for more than 2 years to 100%, for properties empty for more than 5 years, but less than 10 years, to 200% and over 10

years to 300%. It was further agreed that the new charges come in to force from 1 April 2023.

2.0 Proposal/Details of Options Considered

- 2.1 During the 2023/24 charge period, the Council has levied Council Tax empty homes premium in respect of 267 properties. The total charge levied is £1,013,854, this is made up to £422,030 in 'normal' Council Tax charges and £591,824 in additional 'premium' charges.
- 2.2 Of the 267 properties where the premium charge has been levied, 208 remain unoccupied, however 59 have now been occupied meeting this Council and Government policy aims in helping to reduce the number of empty homes by giving the highest incentive to owners to bring the properties back in to use, by either selling or renting the property.
- 2.3 Of the £1.014m charged, £456k has been paid (45%) during the first 6 months of the charge being due. This is slightly lower than the overall collection rate during the same period, 52.4%. £130k is in arrears (12.8%) and 56 liability orders have been obtained which will now be actioned.
- 2.4 Of the additional £592k levied, approximately £68k will be retained locally as a potential increase to in-year Council Tax surplus. This surplus is created as the decision made to increase the levy rates in 2023/24 was made after the tax base calculations which determine Council Tax budget levels.
- 2.5 The Levelling-Up & Regeneration Bill, which received Royal Assent on 26 October 2023, changes the date that Councils can charge the long-term empty home premium from. Current legislation enables a 100% increase for properties empty for more than 2 years, this is amended to 1 year under the new rules.
- 2.6 On 1 October, 748 properties have been empty between 1 and 2 years. The current Council Tax liability relating to the properties is £1.431m, this charge and the income to preceptors would double if the new premium rules were implemented. The table below breaks down the number by band and charges.

CT Band	A	B	C	D	E	F	G	H	TOTAL
Properties empty between 1 and 2 years	381	141	95	58	36	22	14	1	748
Council Tax liability	598,696	258,492	199,041	136,710	103,711	74,902	54,998	4,714	1,431,265
100% premium charge	598,696	258,492	199,041	136,710	103,711	74,902	54,998	4,714	1,431,265
TOTAL CHARGE	1,197,392	516,984	398,083	273,420	207,422	149,805	109,997	9,428	2,862,531

- 2.7 The proposal for agreement of Cabinet and referral to Council is to change the date on which the Council Tax long-term empty home premium becomes due from 2 years to 1. This proposal would best support Council and Government policy in helping to reduce

the number of empty homes by giving the highest incentive to owners to bring the properties back into use, by either selling or renting the property.

- 2.8 This proposal would also maximise income to the Council Tax preceptors: Nottinghamshire County Council, Nottinghamshire Police & Crime Commissioner, the Nottinghamshire Fire Authority, Newark & Sherwood District Council and the numerous town and parish councils.
- 2.9 On the basis of the number in the above table, the element of the total Council Tax liability that relates to the District Council's income increases by £114,500 to £229,000.
- 2.10 Information has been obtained from each of the 6 other District and Borough councils in Nottinghamshire regarding their policies. 4 have advised they will be seeking approval to amend the start date for charging empty homes premium to 1 year with effect from 1 April 2024, the remaining 2 authorities will not be changing their current arrangements.

3.0 Implications

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications – (FIN23-24/2077)

- 3.1 All financial figures provided in this report are based on 2023/24 Council Tax and precepting charges.
- 3.2 Based on the current number of long-term empty properties in Newark and Sherwood District, there would be an increase in the Collection Fund of £1,431,265. £114,500 would come directly to the Council's budget, the remaining funding would be shared with Council Tax preceptors at proportionate levels.
- 3.3 Together with the substantive existing premium charged during 2023/24, £47,000, (being the district council's element alone under the existing scheme), this would mean an additional Council Tax yield of £161,500 during 2024/25, which would be budgeted for as additional income. This value is subject to change in future years dependant on empty property number and council tax precepts.
- 3.4 Any subsequent increase in homes brought back into occupation following long periods of being empty could attract grant funding from central government under a New Homes Bonus scheme.

Legal Implications

- 3.5 There are no legal implications as a direct consequence of this report. Changing the date that the Empty Homes Premium falls due is in line with the Local Government Finance Act 1992 (as amended).

3.6 In accordance with the regulations, the new scheme will be promoted through a press release. All owners of long-term empty properties impacted by this decision will be written to, to ensure that they are aware of the change.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.