
Council Tax Empty Property Changes Report

Committee considering report:	Council on 5 March 2019
Portfolio Member:	Councillor Dominic Boeck
Date Portfolio Member agreed report:	14 February 2019
Report Author:	Iain Bell
Forward Plan Ref:	C3675

1. Purpose of the Report

- 1.1 To update Council on the legislation changes made by government in respect to Council Tax empty home charges from 2019/20 onwards.

2. Recommendations

- 2.1 To agree for the empty homes charges to increase in line with the following;
- 2.2 2019/2020 – 50% premium charge to increase to 100% if a property has been empty for more than 2 years.
- 2.3 2020/2021 – 100% premium to apply to properties that have been empty for between 2 and 5 years. 200% premium where the property has been empty for more than 5 years
- 2.4 2021/2022 – 100% to apply to properties that have been empty for between 2 and 5 years. 200% premium where the property has been empty for between 5 and 10 years. 300% premium where the property has been empty for more than 10 years.
- 2.5 Not to apply the additional premium charges from 1st April 2019 where there is a genuine case that the property is up for sale and there are difficulties in the sale.

3. Implications

- 3.1 **Financial:** Having modelled the above on our current cases, by 2021/2022 an additional income of £377,000 could be generated should these proposals have no effect on the home owner's choices to leave their properties empty.
- 3.2 **Policy:** Currently all empty home owners pay a full 100% charge.
- A 50% premium is charged where the property has been empty for more than 2 years. So in effect they pay 150% of the Council Tax bill
- The proposed changes could mean that someone in the average Band D house who has left their property empty for more than 10 years could be paying 400% Council Tax by

2021/22 at around £7,000 per year (or around £14,000 for a Band H).

Government's intention has been made clear in that there is still a substantial shortfall in the number of affordable homes. It hopes by introducing additional charges to reduce the number of empty homes. Latest estimates suggest that there are over 200,000 empty properties in England worth £50bn.

3.3 **Personnel:** None

3.4 **Legal:** Having a properly adopted policy will assist the Council in ensuring that it takes lawful decisions and will reduce the risk of successful challenge.

3.5 **Risk Management:** None

3.6 **Property:** None

3.7 **Other:** None

4. Other options considered

4.1 Not applying the additional premiums is an option but government's intention is quite clear. It wishes to reduce the number of empty homes due to a substantial shortfall in the number of affordable homes.

Executive Summary

5. Introduction / Background

- 5.1 This report explains the consequences of changes in legislation in respect to empty home charges from the 1st April 2019. These changes are being made by the Rating (Properties in Common Occupation) and Council Tax (Empty Dwellings) Bill 2018.

Royal Assent for this piece of legislation was given on 1st November 2018.

The introduction of charging additional premiums for empty properties was introduced in April 2013 at the same time as welfare reform.

The changes do allow a degree of flexibility in that Councils can decide the appropriate level of discount where there is a genuine case that the property is up for sale and there are difficulties in the sale.

The intention of the recommended action is to increase council tax revenue whilst also supporting the government's and council's initiatives to bring back empty homes into the housing market.

The proposed changes do not affect furnished 2nd or holiday homes.

- 5.2 The table below shows the number of empty properties in West Berks since 2013/14;

Year	Total number of properties	Number of homes empty for under 2 years (100% charge)	Number of homes empty for more than 2 years (150% charge)
2013/14	66087	628	164
2014/15	66391	472	144
2015/16	67097	540	151
2016/17	67536	268	96
2017/18	68084	314	95
2018/19 (date)	68345	318	89

The number of empty properties currently exceeding 5 years is 23

6. Proposal

- 6.1 That the Council takes advantage of the changes made. This could generate additional income of £377,000 by 2021/22.

However the Council should also consider leaving the empty property charge at the current 50% premium level where the property is up for sale and there are genuine reasons why the property cannot being sold.

7. Conclusion

- 7.1 The reforms from government are to allow for an additional charge or premium to be placed on empty homes which should contribute to the government's intention of reducing the number of empty homes whilst also generating further income for the Council.

8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Supporting Information
- 8.4 Appendix D – Technical Reforms to Council Tax
- 8.5 Appendix E – Copy of Legislation Council Tax (Empty Dwellings) Bill 2018

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Resources
Service:	Finance & Property
Team:	Revenues & Benefits
Lead Officer:	Iain Bell
Title of Project/System:	Council Tax Empty Homes
Date of Assessment:	27 th November 2018

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	x
<p>Will you be processing data on a large scale?</p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	x
<p>Will your project or system have a “social media” dimension?</p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	x
<p>Will any decisions be automated?</p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	x
<p>Will your project/system involve CCTV or monitoring of an area accessible to the public?</p>	<input type="checkbox"/>	x
<p>Will you be using the data you collect to match or cross-reference against another existing set of data?</p>	<input type="checkbox"/>	x
<p>Will you be using any novel, or technologically advanced systems or processes?</p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	x

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; this includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	Amendments to current policy
Summary of relevant legislation:	Local Government Finance Act 1992 The Rating(Property in Common Occupation) and Council Tax (Empty Properties) Bill 2018
Does the proposed decision conflict with any of the Council’s key strategy priorities?	No
Name of assessor:	Iain Bell
Date of assessment:	27 th November 2018

Is this a:		Is this:	
Policy	Yes	New or proposed	No
Strategy	No	Already exists and is being reviewed	Yes
Function	Yes	Is changing	Yes
Service	Yes		

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	To update the current policy in regards to Council Tax and empty property charges
Objectives:	As above
Outcomes:	As above
Benefits:	To be able to provide Council Tax payers with clear advice on how the Council charges empty home owners

2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.		
(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this

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Age		
Disability		
Gender Reassignment		
Marriage and Civil Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		
The recommendations relate to Council Tax and empty home/property owners. They apply equally across all these groups.		

3 Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer: There is no differentiation across these groups.	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer : Although potentially it would have a financial impact on those who own an empty property	

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

Name: Iain Bell

Date: 27th November 2018

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.