

Individual Decision



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The attached report will be taken as an Individual Portfolio Member Decision on:

Thursday 25 July 2024

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Amendment to Council Tax long term empty home charges

Committee considering report:	Individual Executive Member Decisions
Date of Committee:	25 July 2024
Portfolio Member:	Councillor Iain Cottingham
Report Author:	Iain Bell
Forward Plan Ref:	ID 4572

1 Purpose of the Report

1.1 Where certain conditions exist, to allow owners of empty properties not to be charged the additional 100% Council Tax premium for an extra 12 months.

2 Recommendations

2.1 On implementation of a revised policy, to propose an extension from the current 12 months to 24 months in the following instances;

- To allow for the sale of property following a grant of probate or letters of administration following the death of the liable person; and
- To allow the sale of a property where an age restriction has been placed on the buyers.

2.2 No extension to be given to properties undergoing refurbishments work or properties that could be considered as uninhabitable due to significant repair works or structural alterations.

2.3 No extension to be given to temporarily unoccupied properties (holiday or second homes) from the 1st April 2025.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	This decision does have financial consequences in terms of the collection fund. The average Band D property charge for 2024/25 is £2200. Therefore, for every property where the

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	extension is awarded it would mean £2200 less being collected.			
Human Resource:	None			
Legal:	In terms of Council Tax, the policy for dealing with Empty properties was originally decided by full Council in December 2012. However, changes in legislation implemented this year have meant the Council using its discretionary powers under Section 13a of the Local Government Finance Act 1992 to ensure continued fairness.			
Risk Management:	The only potential risk is if that it is not agreed, a significant number of cases will progress through member appeal panels which would require additional resource.			
Property:	None			
Policy:	This would be a local policy decision which would extend the one made in December 2012.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				No, only affects unoccupied homeowners
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				No

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Environmental Impact:				No environmental impact.
Health Impact:				No Health impact
ICT Impact:				No IT impact
Digital Services Impact:				None
Council Strategy Priorities:				Only negative point is that it could mean the property being empty for a longer period
Core Business:				This is part of the core business in terms of Council Tax administration and enforcement
Data Impact:				No effects
Consultation and Engagement:	None required			

4 Executive Summary

- 4.1 With recent changes to the Council Tax empty/unoccupied home legislation and due to a sizeable number of customers contacting the council in respect to those changes, it was considered necessary that a review of the Council's position take place. The decision made at full Council in February was reasonable and justified at that time but the Council is now aware of customer's circumstances where a different view maybe taken.
- 4.2 The proposals being considered are to extend the period before the 100% premium is charged to 2 years after the property becomes empty in the following instances.
- To allow for the sale of a property following a grant of probate or letters of administration following the death of the liable person; and
 - To allow for the sale of a property where an age restriction has been placed on the buyers.
- 4.3 Further consideration was given to properties which were being refurbished, uninhabitable or undergoing repairs but it was decided that no flexibility be considered.

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- 4.4 From 1st April 2025 a 100% premium charge can be applied to temporarily occupied properties such as second or homes where they have been so for more than 1 year. It was considered in all these cases that no flexibility be considered.

5 Introduction/Background

Introduction

- 5.1 The matter concerns the Council's policy on the levels of Council Tax charges payable by empty / unoccupied homeowners.
- 5.2 The original policy was decided in December 2012 when the Localism Act was introduced. It allowed Council's to remove exemptions for unoccupied properties, discounts for second homes and to introduce premium charges for properties that had been empty for a prescribed period of time.

Background

- 5.3 From the 1st April 2024, West Berkshire Council at their Full Council meeting on the 29th February 2024, decided that the following charges were to be applied;
- Apply an additional premium to those properties that have been vacant for more than 1 year. 100% additional premium for properties that have empty for between 1 and 4 years, 200% for properties that have been empty for between 5 and 10 years, and a 300% premium for those that have been empty for more than 10 years.
 - From the 1st April 2025 all temporarily unoccupied (second and holiday) homes that had been so for longer than 12 months would also be charged the 100% additional premium.
- 5.4 As per the current policy, where a customer disagrees with the Council's decision, they can challenge this decision by putting their case to the Head of Service, now Service Director. If the Service Director considers that the charge should remain the customer can request that a members panel be convened to hear the case.

Proposals

- 5.5 The proposals being considered will allow the Council greater flexibility and will show that we have listened to our customers. If the proposals are accepted, then this should be publicised to encourage customers to provide the necessary information and to ensure no-one is missing out.

6 Supporting Information

- 6.1 The Council currently has 340 homes that have been empty for more than 1 year. 25 homes that have been empty for more than 5 years and 20 homes that have been empty for more than 10 years.
- 6.2 The Council also has 260 second homes which from next April will be charged the 100% premium.
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6.3 So far, the Council has received 21 ‘appeals’ against the decision to charge the premium. In previous years only a few have been received.

7 Options for consideration

7.1 In terms of the ‘appeals’ being received they appear to fall into 4 categories;

- Properties where the sale has been delayed because it was an executors sale
- Properties where the sale has been delayed because the buyers must be over a certain age.
- Properties that are undergoing refurbishment, repair works, structural alteration which may therefore also have planning issues.
- In respect to second homes, to charge the 100% premium is not reasonable as paying the full Council Tax elsewhere.

8 Conclusion

8.1 Considering all the information, a conclusion has been reached to recommend in the following instances to extend the period of time when a 100% premium charge cannot be levied from the current 12 months to 24 months;

- To allow the sale of property following a grant of probate or letters of administration following the death of the liable person (i.e., an executors sale); and
- To allow the sale of a property where an age restriction has been placed on the buyers.

8.2 In coming to this conclusion, it was considered that no extension should be given to properties undergoing refurbishments / repair works or properties that could be considered as uninhabitable.

8.3 Consideration was also given to changes in the way temporary unoccupied properties (holiday or second homes) are dealt with from the 1st April 2025. It was decided that no such extension or discount should be given in these cases and the 100% premium be applied to all.

8.4 It is worthwhile noting that should customers disagree with the decision made by the Service Director they still have the opportunity to request that their case be heard before a members panel.

Subject to Call-In:

Yes: X No:

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- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Scrutiny Commission or associated Committees or Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: all

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