

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 4 DECEMBER 2018
REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND
CULTURAL SERVICES)

COUNCIL TAX EMPTY HOMES PREMIUM

1 Executive Summary

- 1.1 The purpose of this report is to advise Cabinet of the new discretionary powers that will be available to us from April 2019 to increase the council tax payable on long term empty properties. This will give councils the ability to increase the incentives for landlords to bring the long term empty properties back into use and potentially help increase housing supply.

2 Recommendation(s)

- 2.1 Cabinet recommends to Full Council that the current council tax 50% empty homes premium is changed as follows:

- 1 April 2019 - 100% premium for properties empty 2 years or more.
- 1 April 2020 - 200% premium for properties empty 5 years or more.
- 1 April 2021 - 300% premium for properties empty 10 years or more.

3 Explanation

- 3.1 Since 2013, councils have been able to charge a 50% premium on the council tax bills of owners of homes empty for two years or more. A total of 291 out of 326 councils applied an empty homes premium in 2017/18. All but 3 are charging the premium at the maximum 50% rate.
- 3.2 In Welwyn Hatfield, an empty property is exempt from council tax for one month if it is vacant and substantially unfurnished after which time the full council tax becomes payable. The Council also exercises its discretionary powers to levy a 50% empty homes premium on the council tax payable in respect of properties that have been left empty for a period of two years or more.
- 3.3 From April 2019 we will be able to increase this premium to 100% meaning that long term empty properties would pay double council tax. This can increase to 200% and 300% from April 2020 and April 2021 for properties that are empty for a period exceeding 5 and 10 years respectively.
- 3.4 The government has expressed concerns about the number of properties that are left empty across the country at a time when there is an overall housing shortage, and there are social housing waiting lists. This council already levies a 50% empty homes premium on the council tax payable in respect of properties that have been left empty for a period of two years or more. We currently have 52 such properties which has reduced from 72, since April 2013, when this premium applied.

Implications

4 Legal Implication(s)

- 4.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 has made provisions to increase the percentage by which a billing authority may increase the council tax payable in respect of a long-term empty properties. Section 11B of Local Government Finance Act 1992 (higher amount for long-term empty dwellings) has been amended to incorporate this change.

5 Financial Implication(s)

- 5.1 The changes to the empty homes premium could generate the additional council tax shown below based on the existing number of long term empty properties.

	Currently - 50% premium after 2 years	April 2019 - 100% premium after 2 years	April 2020 - 200% premium after 5 years	April 2021 - 300% premium after 10 years
<i>Potential Income</i>	£44,193	£88,386	£139,944	£4,686
WHBC's 12% share of income	£5,303	£10,606	£16,793	£562
Number of Properties	52	52	41	1

6 Risk Management Implications

- 6.1 A risk assessment has not been prepared in relation to the proposal in this report as there are no significant risks inherent in the proposals.

7 Security & Terrorism Implication(s)

- 7.1 There are no security and terrorism implications with the recommendation in this report.

8 Procurement Implication(s)

- 8.1 There are none.

9 Climate Change Implication(s)

- 9.1 The proposals in this report will not impact on greenhouse gas emissions.

10 Human Resources Implication(s)

- 10.1 There are none.

11 Health and Wellbeing Implication(s)

11.1 There are none.

12 Communication and Engagement Implication(s)

12.1 The proposal supports the Government's intention to bring empty properties back into use and that landlords of the long term empty properties affected by the proposal will be contacted in due course.

13 Link to Corporate Priorities

13.1 The subject of this report is linked to the Council's Corporate Priority: Our Council and achieving value for money.

14 Equality and Diversity

14.1 An initial impact assessment has been carried out on our proposed changes and there was not any negative impact identified on any of the protected groups under Equalities legislation.

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