

HIGH PEAK BOROUGH COUNCIL

Corporate Select Committee

27 November 2023

TITLE:	Empty Properties
PORTFOLIO HOLDER: Holder	Councillor Alan Barrow – Executive Cllr for Finance and Corporate Services
CONTACT OFFICER:	Martin Owen – Executive Director (Finance and Customer Services) Joanne Wheeldon – Head of Revenues and Benefits
WARDS INVOLVED:	Non-Specific

1. Reason for the Report

- 1.1 The purpose of this report is to invite the Select Committee to review the level of discount for council tax on short term empty/unoccupied and uninhabitable properties.

2. Recommendation

- 2.1 Members to note the content of the report and recommended that the Executive approve Option 1 to take effect from 1 April 2024.
- 2.2 Option 1 - Remove the council tax discounts for empty/unfurnished and uninhabitable properties – this is the recommended option, with a review after 12 months.
- 2.3 Option 2 - Reduce the period of 100% discount for empty/unfurnished properties from a maximum of 3 months to one month and reduce the period of the 50% uninhabitable discount from 12 months to 6 months.

3. Executive Summary

- 3.1 From 1 April 2013, local authorities have had the power to reduce or remove discounts for certain properties including empty/unfurnished and uninhabitable properties.
- 3.2 Since this time, High Peak Borough Council has reviewed and implemented premiums for long term empty homes, but has not reviewed the discount for short term empty/unfurnished properties and properties that are uninhabitable.

- 3.3 From 1 April 2013, the Council has awarded a 100% discount for a period between 0-3 months for properties when they first become empty and unfurnished and a 50% discount for a period between 0-12 months for a property which is uninhabitable. These discounts both impact on the Council's taxbase, reducing income and the administration and review of the discount for each individual property. Awarding a discount for an empty property can also act as a disincentive for the owner to bring the property back into use. It is quite common across councils that, when awarding these types of discounts, especially for uninhabitable properties, that the maximum amount of discount will be claimed when the work in some instances could be completed in less than 12 months.
- 3.4 Empty homes are a wasted resource at a time when there is increasing pressure to address housing and homelessness needs and by removing or reducing the period of discount is expected to result in landlords and owners bringing properties back into use sooner.

4. How this report links to Corporate Priorities

- 4.1 The strategy contributes to the Corporate Plan 2019-23 aim of helping to create a safer and healthier environment for our communities to live and work.
- 4.2 A reduction in the number of empty properties generates income as part of the New Homes Bonus scheme.

5. Options and Analysis

- 5.1 Option 1- with effect from 1 April 2024, remove the council tax discounts for empty/unfurnished and uninhabitable properties – this is the recommended option, with a review after 12 months.
- 5.2 Option 2- with effect from 1 April 2024, reduce the period of 100% discount for empty/unfurnished properties from a maximum of 3 months to one month and reduce the maximum period of the 50% uninhabitable discount from 12 months to 6 months.
- 5.3 To retain the current discounts.

6. Implications

- 6.1 Community Safety - (Crime and Disorder Act 1998)
A reduction of empty properties is proven to have a positive impact and improve the quality of an area and assist in the reduction of vandalism and anti-social behaviour.

- 6.2 Workforce
Reduction in the administration and review of these two particular discounts.
- 6.3 Equality and Diversity/Equality Impact Assessment
The report has been prepared in line with Council policies.
- 6.4 Financial Considerations.
The proposed changes to empty homes discounts in section will have a positive effect on receipts in the Collection Fund. It should be noted that there is a risk that changes to the New Homes Bonus scheme will remove the benefits under the scheme associated with the reduction in empty property numbers.
- 6.5 Legal
There are no specific implications to this report.
- 6.6 Sustainability
There are no specific implications to this report.
- 6.7 Internal and External Consultation
Consultation undertaken with internal Council departments.
- 6.8 Risk Assessment
There are no specific implications to this report.

Martin Owen
Executive Director (Finance and Customer Services)

**Web Links and
Background Papers**

Contact details

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7. Background and Detail

- 7.1 Making the best use of existing stock and bringing empty homes back into use is fundamental to meeting housing needs, it is not just a case of building new homes. Empty homes are a wasted resource at a time when there is pressure on housing stock to address housing and homelessness needs. They can also create problems for neighbours and the wider community such as disputes, blight, property deterioration and discourage inward investment.
- 7.2 As part of the Empty Homes Strategy, Council Tax and Housing Officers are working closely together to address the issues that empty properties cause and to align our policies relating to the management of empty homes and council tax charges.
- 7.3 The changes proposed in this report can encourage taxpayers to bring their properties back into use or complete structural works sooner than would be the case if there was a discount available. They also reduce the cost of council tax discounts, raising extra income to the Borough Council, County Council, Police and Crime Commissioner, Fire and Rescue and the Parish/Town Councils.
- 7.4 When council tax was introduced in 1993, the rate of charges to be made in respect of empty properties was prescribed. Exemptions were available for certain categories of property, for which no council tax was payable.
- 7.5 Subsequent legislation has allowed Billing Authorities to increase the amount of council tax charged on empty properties and we have been encouraged to do so, in order to bring empty properties back into use.
- 7.6 So far, the changes High Peak Borough Council has approved and the changes recommended are shown in the table below:

Class of discount	Start	End	Level of discount or Premium	Comment/Proposal
Short term empty/unoccupied	1.4.2013		100% for a period of 0-3 months	Option 1 remove the discount Option 2 reduce the maximum period to 1 month Retain the current discounts
Uninhabitable properties	1.4.2013		50% for a period of 0-12 months	Option 1 remove the discount. Option 2 reduce the period from a maximum of 12 months to 6

Class of discount	Start	End	Level of discount or Premium	Comment/Proposal
				Retain the current discounts
Empty properties over 1 year	1.4.2013	31.3.2024	Zero (100%charge)	
	1.4.2024		100% premium	Approved by Full Council in March 2023 to reduce the number of years to apply the premium from 2 to 1 in line with new legislation
Empty properties over 2 years	1.4.2020	31.3.24	100% premium	Number of years to apply an empty property premium will be reduced from 2 to 1 year
Empty properties over 5 years	1.4.2013	31.3.2020	Zero (100% charge)	
	1.4.2020		200% premium	No change
Empty properties over 10 years	1.4.2013	31.3.2022	Zero (100% charge)	
	1.4.2022		300% premium	No change

Protected categories of properties

7.7 The following categories of property are protected and statutory council tax exemptions still exist:

Class	Description
B	Unoccupied dwellings owned by a charity (up to 6 months)
D	A dwelling left unoccupied by people who are in prison.
E	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
F	Dwellings left empty by the estate of deceased persons (6 months from date of probate).
G	An unoccupied dwelling where the occupation is prohibited by law.
H	Unoccupied clergy dwellings.

Class	Description
I	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved to receive personal care.
J	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person.
K	An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
L	An unoccupied dwelling which has been taken into possession by a mortgage lender.
M	A hall of residence provided predominately for the accommodation of students.
N	A dwelling which is occupied only by students, the foreign spouses of students or school and college leavers
O	Armed forces' accommodation
P	A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
Q	An unoccupied dwelling where the person who would otherwise be liable is a trustee in a bankruptcy.
R	Empty caravan pitches and boat mooring.
S	A dwelling occupied only by a person, or persons, aged under 18.
T	A dwelling which forms part of a single property which includes another dwelling and may not be let separately from that dwelling, without a breach of planning control.
U	A dwelling occupied only by a person, or persons, who is or are severely mentally impaired who would otherwise be liable to pay the council tax or only by one or more severely mentally impaired person
V	A dwelling in which at least one person who would otherwise be liable is a diplomat.
W	A dwelling which forms part of a single property, include at least one or other dwelling, and which is the sole or main residence of a dependent relative of a person who is resident in the other dwelling.

7.8 The current number of properties for short term empty/unoccupied and uninhabitable properties, including the cost of awarding these discounts are shown in the table below:

Discount Class	Number of properties as at 15.11.23 claiming discount	Cost as at 15.11.23
Empty and unoccupied	203	£151,863
Uninhabitable	68	£49,523

7.9 If the above discounts were removed as referred to in option 1 with effect from the 1 April 2024, there would be an estimated saving of the costs shown in the table above.

7.10 If the periods for the above discounts were reduced as referred to in option 2 the estimated savings from 1 April 2024 would be as follows:

- **Short term empty /unoccupied properties**

Reducing the period from 3 months to 1 month for short term empty/unoccupied properties would result in savings of approximately £50,621.

- **Uninhabitable properties**

Reducing the period from 12 months to 6 months for uninhabitable properties would result in an estimated saving of £24,761.

7.11 In order to make changes to these specific classes of discounts, a decision would need to be made prior to the financial year in which the changes would take place; recommended from 1 April 2024. There is also the requirement to publish a notice of the determination in at least one newspaper, circulating in the area within 21 days of the determination.