

Report of the Interim Deputy Chief Executive

COUNCIL TAX EMPTY PROPERTY LEVY1. Purpose of report

To request that the Finance and Resource Committee approve the alterations of council tax levied on properties in the Borough of Broxtowe which have been vacant for a period of two years or more. This links to the new Corporate Plan priority Housing: Good quality homes for everyone.

2. Background

Section 12 of the Local Government Finance Act 2012 provided local authorities the power to levy extra council tax of 50% on domestic properties which have been vacant for more than two years, The Council has used this power since April 2013.

The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 extends the previous legislation and allows the Council to levy the following charges

- From 1 April 2019 the Council can increase the empty property levy from 50% to 100% for properties that have been vacant for over two years.
- From 1 April 2020 the Council can increase the empty property levy that have been vacant for five or more years to 200%.
- From 1 April 2021 the Council can increase the empty property levy for properties that have been vacant for ten or more years to 300%.

Whilst the changes will generate additional revenue, the primary focus is to bring empty homes back into use.

3. Financial Implications

Although no direct cost to the Council, if all three recommendations were adopted then it would generate an additional charge of approximately £204k per annum, which is allocated between each Council Tax precepting authority in the usual manner, meaning Broxtowe will receive approximately 9%. Further details are provided in the table in the appendix.

Recommendation

The Committee is asked to APPROVE the increase in the Council Tax Empty Property Levy as

- 1. Adopt an empty property levy at 100% for dwellings that have been vacant for more than two years from 1 April 2020.**
- 2. Adopt an empty property levy at 200% for dwellings that have been vacant for a period of five or more years from 1 April 2020.**
- 3. Adopt an empty property levy of 300% for dwellings that have been vacant for ten or more years from 1 April 2021.**

Background Papers: Nil

APPENDIX

There are currently 138 properties being charged the empty property levy of 50%. The table below shows the number of properties involved and the potential additional charge for each of the recommendations based on January 2020 data. It also highlights the Broxtowe share of the potential increase.

Number of Years Empty	Number of Properties	Percentage Levy	Additional Levy charge per annum	Broxtowe Borough Council share of additional levy
Between 2 and 5 years	85	100%	£97,410	£8,767
Between 5 and 10 years	25	200%	£73,419	£6,608
Greater than 10 years	28	300%	£33,079	£2,977

This additional levy will not be applied in all cases where a dwelling is vacant for more than two years as there already exist a number of statutory exemptions from council tax for dwellings left vacant in certain circumstances. e.g. dwellings left vacant by people receiving care or in care homes or dwellings owned by charities. The Council can also apply discretionary discounts as it sees fit in cases such as hardship, fire or flooding.

It is important to note that the adoption of the increased empty property levy will not bring any additional properties within the scope of the levy; it merely increases the amount of council tax charged, and encourages home owners who do not receive exemptions, to bring empty properties back into use.

Any of these properties that subsequently become occupied will revert to the standard Council Tax charge and any levy previously applied will be lost.