

Council Tax

The Rating and Council Tax

The UK Government introduced in March 2018 a new legislation that will allow councils to charge double the rate of council tax on homes that are empty.

The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill will ensure that thousands of long-term empty properties across England will be available to use thanks to councils having the power to levy additional charges on those left empty for two years or more. Councils will be able to use funds raised to help reduce standard council tax charges.

The move is one of a range of measures introduced by the government to fix the country's broken housing market, and councils will be able to use funds from the premium to keep Council Tax levels down for working families. Through an ambitious package of long-term reform and targeted investment, the government is ensuring communities have the homes they need.

These measures are taken to improve the country's housing market situation. According to the government the number of homes left empty for 6 months or longer (just over 200,000) is at its lowest level since records began in 2004. In 2011 the New Homes Bonus scheme was introduced giving councils similar income from bringing an empty home back into use as for building a new one.

Moreover, councils have been able to charge a 50% premium on the council tax for homes left empty for two years or more. 291 out of 326 councils applied an empty homes premium in 2017 to 2018.

However, in January 2018, the Liberal Democrats published research showing that just one in 13 councils were making use of Empty Dwelling Management Orders (EDMO), a local authority power for 'taking back' properties left empty for at least six months. For more information, see Vince Cable interview.

The government has published guidance that makes clear that the premium should not be used to penalise owners of homes that are genuinely on the market for rent or sale.

There are exemptions in place and discounts available for the new charge covering:

- Homes that are empty due to the occupant living in armed forces accommodation.
- Annexes being used as part of a main property.
- Properties left empty for a specific purpose, such as when a person goes into care.
- Homes left empty due to special circumstances, such as hardship, fire or flooding.

Local Government Minister, Rishi Sunak, said: "It is simply wrong that, while there are 200,000 long-term empty properties across the country, thousands of families are desperate for a secure place to call home. This new power will equip coun-

cils with the tools they need to encourage owners of long-term empty properties to bring them back into use – and at the same time tackle the harmful effect they have on communities through squatting, vandalism and anti-social behaviour."

The legislation introduced in March 2018 will be amended further to allow councils to triple the council tax on homes left empty for five to ten years and quadruple it on those empty for more than a decade. Homes which have been empty for between two and five years would still be subject to the Council Tax bill being doubled under the proposal.

Secretary of State for Communities the Rt Hon James Brokenshire MP said: "We're determined to do everything we can to ensure our communities have the housing they need. That's why we're giving councils extra flexibility to increase bills and incentivise owners to bring long-standing empty homes back into use. By equipping councils with the right tools to get on with the job, we could potentially provide thousands more families with a place to call home."

Councils will be able to use funds from the premium to keep Council Tax levels down for hard working families. To ensure the proposed new powers are not used to unfairly punish those facing difficult circumstances, the government has also announced today that it will publish revised guidance for councils on the use of premiums. This will also take into account issues relating to low-demand areas and ensure it does not hinder complex regeneration schemes.