

## Empty Homes Premium

### **Introduction:**

Derbyshire Dales District Council is consulting on potential changes to the Council Tax charged on long term empty homes, this is defined as those which have been unoccupied and substantially unfurnished for over 2 years.

In 2013 the Government gave councils the power to charge a 50% premium, i.e. the whole Council Tax is charged, plus half again. Currently going through Parliament is a new piece of legislation that will give councils the power to:

- double the council tax on homes empty for 2 to 5 years
- triple the tax on homes empty for 5 to 10 years and
- quadruple it for those empty for more than a decade.

It is expected that this power will become law during 2018/19, allowing Councils to charge the premium from April 2019.

We're consulting on the potential to implement the new power to charge the additional premium from April 2019 on long term empty homes. We estimate this will impact up to 600 long term empty homes and is being introduced to encourage bringing these properties back in to use. In 2016 the Derbyshire Dales was recorded as the 6th worst area in the England for the number of empty homes per 100 people at 0.9 (for more information see <https://www.bbc.co.uk/news/uk-england-41968461>). The Derbyshire Dales also has the highest % of long term empty homes in Derbyshire, at 1.9% of the total housing stock.

Derbyshire Dales District Council is the Billing authority and has the power to increase council tax on long term empty homes. This is known as the 'empty homes premium'. It is for the District Council to decide whether to levy an empty homes premium.

### **Government policy on long term empty homes**

There is pressure from Government to tackle the 200,000 empty homes in England. One policy from the government designed to reduce the number of empty homes is to allow councils to introduce the empty homes premium. This was first outlined in the government's 2017 white paper, Fixing our Broken Housing Market. (see <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>)

The proposal in the White Paper is being taken forward through the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill. This Bill is progressing through the Lords without any difficulty and would appear to be on track to become law in 2018/19.

Any uplift in Council Tax premium on long term empty homes will generate new resources for the District Council, Derbyshire County Council and the Police and Fire Authorities.

Benefits of bringing empty homes back in to use;

- The district council would use its proportion of the extra council tax to fund initiatives that tackle empty homes including providing incentives to owners and resourcing enforcement options.
- As more empty homes are brought back in to use, more New Homes Bonus (NHB) will come to the Derbyshire Dales. NHB is a grant from government designed to reward councils when they build new homes or bring empty homes back in to use.
- The construction and property sectors could receive a boost through renovation and occupation of homes.
- Provision of affordable and potentially market homes through properties brought back in to use will help meet housing need, reducing the pressure to build new homes on greenfield land.

### The Consultation

The Council is consulting residents and stakeholders on the proposal to introduce the premium on long term empty homes.

We also want to know if the Council should not impose the premium on people who buy a long term empty home and then bring it back in to use within two years. The Council does not want to create a disincentive for potential buyers interested in buying and renovating an empty home.

If you are an owner of an empty property, we would like to understand more about the issues you face, for example if you are trying to sell or let the property and what you think the Council could do to help you bring the property back in to use. We would also like to understand the views of people affected by empty homes and the views of the wider housing sector.

1. Do you own a long term empty home in the Derbyshire Dales i.e. a property which has been unoccupied and substantially unfurnished for over 2 years?

Yes

No

2. If yes, how many?

3. Do you live in the Derbyshire Dales?

Yes

No

4. If you own a long term empty home, why is it empty? (choose all that apply)

- Unable to sell
- Being renovated/repaired
- Needs renovating – works not started
- You are actively looking for tenants
- Tenants/relatives or yourself are due to move in shortly
- It's a 2nd home
- Inherited the property
- Owner is currently living in a residential/ care home
- Lacking the mental capacity to sell
- Bereaved/ divorced and unable to sell the property
- Other (please specify)

5. Do you agree with the Council's proposal to:

Double the council tax liability for properties that have been vacant for more than 2 years?

- Yes
- No

6. Triple the council tax liability for properties that have been vacant for 5 to 10 years

- Yes
- No

7. Quadruple the council tax liability for properties that have been vacant for more than 10 years?

- Yes
- No

8. Do you agree with the Council's proposal to exempt new owners from the premium for 2 years when they purchase an empty property with the intention of bringing it back in to use?

- Yes
- No

9. How strongly do you agree or disagree that the proposals will encourage owners to bring empty homes back in to use?

- Strongly agree
- Agree
- Neither
- Disagree
- Strongly disagree

10. If the proposals were adopted, how can the Council support you through the changes

- Offer loans to fund improvements
- Offer grants to fund improvements
- Phase the increase in charges over time
- Buy the empty property or assist with finding a buyer
- Lease the property from the owner
- Other (please specify)

11. Are you a

- Owner of an empty property
- Neighbour of an empty property
- Resident
- Private landlord
- Tenant of a private landlord
- Tenant of a housing association
- A letting agent
- Representative of a housing association
- Builder/developer
- Town or parish council
- Other public body
- Charity

12. Is there anything else you would like to say about these proposals?