

COUNCIL

27 January 2022

Joint report of the Director of Resources and the Director of Housing

EMPTY HOMES PREMIUM AND UPDATE TO COUNCIL TAX DISCRETIONARY DISCOUNTS POLICY

PURPOSE OF REPORT

The report sets out details of the impact of the empty homes premium adopted by Council in 2018. From 1st April 2019 the Council has charged a 100% premium (i.e. double council tax) on homes empty and unfurnished for more than 2 years. The Council has power to increase the premium for long term empty homes by 200% for homes empty for 5 years or more and 300% for homes empty for 10 years or more. The report sets out the results of a public consultation exercise and seeks Members' approval to adopt the higher levels of empty homes premium with effect from 1st April 2023.

The report also asks Members to agree changes to the Council's policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992) to allow more flexibility to award a council tax discount to offset the empty homes premium where the applicant provides evidence that they are taking action (e.g. marketing) as soon as practicable to bring empty homes back into use, without the need to provide evidence of undue hardship.

RECOMMENDATION

1. That Members note the impact of the 100% council tax empty homes premium;
2. That Members note the results of the public consultation on the adoption of the 200% and 300% premiums and the changes to the Council's policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992);
3. That the Council continues to apply a council tax empty homes premium of 100% in respect of any dwelling that has been unoccupied and substantially unfurnished for at least 2 years but less than 5 years, except where statutory exemptions apply;
4. That, with effect from 1st April 2023, the Council will apply a council tax empty homes premium of 200% in respect of any dwelling that has been unoccupied and substantially unfurnished for at least 5 years but less than 10 years, except where statutory exemptions apply; .
5. That, with effect from 1st April 2023, the Council will apply a council tax empty homes premium of 300% in respect of any dwelling that has been unoccupied

and substantially unfurnished for at least 10 years, except where statutory exemptions apply;

6. That approval is given to the revised Policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992), attached as Appendix 4.

WARDS AFFECTED

All

STRATEGIC LINK

Long Term empty homes represent a wasted resource within the housing stock of the District. Bringing empty homes back in to use will increase the supply of homes available for local people. It is one of the District Council's priorities to explore further policy changes which could reduce the number empty homes as stated in the 2020-2024 Corporate Plan. The proposed actions address this corporate policy objective.

1 BACKGROUND

- 1.1 The Community and Environment Committee received a report on the 12th July 2018 concerning the empty homes issue within the Derbyshire Dales. At that time a new Bill relating to a Council Tax Premium on long term empty homes was going through parliament. Noting the likely adoption of the Bill officers sought Council approval to consult on the premium and then seek approval to adopt the 100% premium for homes empty for more than two years.
- 1.2 The consultation exercise ran for 6 weeks ending at the end of October 2018. 227 responses were received. The District Council's website hosted a survey monkey questionnaire. The survey was widely publicised through a press release, an article in Dales Matters, circulation to every parish and town council, contact with known housing agencies and a letter to every owner of a long term empty home. The 2018 consultation results showed very high support (over 70%) for the adoption of the 100% premium. Similarly support was also given for the 200% and 300% premiums for homes empty for over 5 and over 10 years respectively. However at that time the power to adopt the higher premiums was not yet available for councils.
- 1.3 The power to adopt the higher premiums is now place and officers have noted that two other Derbyshire authorities have already adopted the higher premiums. A review of the properties empty for more than 5 and more than 10 years indicates that the same properties remain empty for some considerable time with some empty for more than 15 years. The total number usually averages around 75 homes. Empty homes are a wasted resource and can cause considerable problems for neighbours through heat loss, water ingress, vermin and overgrown gardens.

2 GOVERNMENT POLICY ON LONG TERM EMPTY HOMES

- 2.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill became law on the 1st November 2018. The Bill gave powers to local authorities to charge a 100% premium (i.e. double council tax) on properties that have been empty for more than two years. The Bill was amended in the Lords by an all-party amendment which introduced the 'escalator amendment'. This amendment allows for council tax to be tripled (by applying a 200% premium) on homes empty for 5 to 10 years and quadrupled (by applying a 300% premium) for those empty for more than a decade. The 'escalator' power was phased in, with the doubling being effective from 1st April 2019, the trebling from 1st April 2020 and the quadrupling from the 1st April 2021. At the time the escalator power was seen not as a revenue raiser for local authorities, but a spur to maximise housing stock availability.
- 2.2 The 2018 debate in the House of Commons concerning the Bill also highlighted several important considerations by the government, notably:-
- When the 50% premium was introduced in 2013, 90% of local authorities took up the power. Since then the number of long term empty homes has fallen by 9% among those councils that adopted the power, every year since 2013.
 - The higher premiums should not be used to penalise owners where houses are genuinely on the market for sale or rent and appropriately priced.
 - Homeowners will have had sufficient notice concerning the imposition of the 200% and 300% premium by 2020 and 2021 respectively.
 - No property covered by existing statutory exemptions can be liable for the premium e.g. a property owned by a member of the armed forces on deployment or where a dwelling cannot be let separately from a main dwelling (e.g. granny flats).

3 THE IMPACT OF THE 100% EMPTY HOMES PREMIUM

- 3.1 The 100% premium has been in place at Derbyshire Dales District Council for the financial years 2019/20, 2020/21 and the current year 2021/22. Owners of homes that have been empty and unfurnished for more than two years are required to pay a 100% premium on top of their existing council tax bills.
- 3.2 The income from the premium is shared amongst major preceptors (DDDC, County Council, Police and Fire), with DDDC's share being around 14%. The table below shows the numbers and value for each year, and the share of the premium that is retained by DDDC.

Table 1: The number of empty homes, value of the 100% premium charged and DDDC share

	2019/20	2020/21	2021/22 (forecast)
Number of properties where a premium has been charged	239	272	229
Total value of premiums charged	£259,193	£277,236	£315,941
Value of DDDC's share of the premium	£36,287	£38,813	£44,231

- 3.3 When the premium was first adopted there was the inevitable push back from owners who felt the premium was unfair. Since that time the impact of the premium has resulted in far fewer complaints to the Housing Team, but the revenues team continue to receive complaints or requests for discretionary discounts to offset it (see section on discretionary discounts below).
- 3.4 As can be seen in the table below, despite the imposition of the premium for three financial years, whilst the total number of empty homes has reduced, the numbers of homes that are empty for more than two years has slightly increased.

Table 2: Oct 2019 to Oct 2021 changes in empty property numbers by category

	Number of empty properties			
	October 2019	October 2020	October 2021	Change 2019 to 2021
Empty up to 3 months*	295	280	208	-87 (29%)
Empty for more than 3 months but less than 2 years	466	490	387	-79 (17%)
Empty for 2 to 5 years	88	97	106	+18 (20%)
Empty for 5 to 10 years	54	45	37	-17 (31%)
Empty for more than 10 years	33	33	38	+5 (15%)
Total empty for more than 2 years	(175)	(175)	(181)	
Total all empty homes	936	945	776	-160 (17%)

*eligible for 100% reduction i.e. no council tax to pay

- 3.5 Whilst the number of homes empty for less than 2 years has fallen (from 761 in 2019 to 595 in 2021, a reduction of 166 (22%)), the total number of homes empty for more than 2 years has remained mostly unchanged (175 in 2019 to 181 in 2021). There are clearly factors other than the premium at play which are influencing the market. The coronavirus pandemic has caused delays to renovations, which has also impacted numbers of empty homes. The homes empty for more than 5 years and 10 years are not showing any significant signs of change. Leaving property empty for so long often leads to neighbour disputes, deterioration in the property and negatively impacts on the wider street scene.

- 3.6 In summary, the impact of the 100% premium would appear minimal on properties that have been empty for more than 2 years, as evidenced by the overall numbers remaining largely unchanged. Anecdotal evidence from telephone calls from owners and monitoring of Rightmove and planning applications suggests however that some owners are responding to the premium and taking steps to sell, renovate or redevelop some of the more complex properties. However it is worth noting that the population of total properties is not static and as time passes, properties will inevitably move from one category to the next. The financial return to the District Council is also relatively small taking in to account the amount of time it takes to administer the premium. Council staff, particularly in the Council Tax service receive and respond to owners aggrieved by the imposition of the premium.

4 INTRODUCING HIGHER LEVELS OF PREMIUM

4.1 Forecast income

Using the empty properties as at 1st October 2021 and the average council tax for 2021/22 as a basis, the additional income that would be generated by the higher levels of premium have been estimated to give Derbyshire Dales District Council additional annual income of around £28,000. This is shown in the table below.

Table 3: Forecast annual income from higher empty homes premiums

	Number	Forecast income £	DDDC share of forecast income £
Period empty			
5 - 10 years (extra 100%)	37	69,665	9,753
Over 10 years (extra 200%)	38	130,511	18,272
Total	75	200,176	28,025

Some of this income might be offset by additional discretionary discounts (see below).

- 4.2 Equalities: An Equalities Impact Assessment has been undertaken in relation to the higher premiums. In summary the EIA highlights the relative lack of available information concerning the characteristics of owners of empty homes. It is likely that owners reflect the wider population. It is also likely that some owners will be older people or have limited ability to manage their affairs. The number of people likely to be impacted by the premium is under 100.
- 4.3 The role of the proposed empty property officer (see below) is therefore key to providing the advice and support necessary to help owners either renovate, let or sell their property. The EIA also indicated that bringing empty homes back in to use will help increase the supply of homes available for local people and bring investment in to the economy through jobs and services linked to construction.

- 4.4 Consultation: As in 2018, a public consultation process has been undertaken for the 200% and 300% premiums, using a SurveyMonkey questionnaire on the Council's website. All of the existing owners of homes empty since December 2019 (201 properties) were contacted about the survey together with key stakeholders including parish and town councils, estate and letting agents, housing associations, pressure groups and others with an interest in empty homes. The survey took place from mid-December 2021 to the 18th January 2022.
- 4.5 The results of the survey are shown in Appendix 3. In summary 154 responses were received including 24 owners of empty homes. Empty homes are clearly a contentious issue both for owners, neighbours and residents concerned about them. The results were typically polarised between the majority who did not own empty homes and the minority that did. Before considering the results further, it is worth noting that what government policy is trying to achieve is the long term reduction in the overall number of empty homes. Whilst recognising there is likely to be an impact in the short term on owners from April 2023, what this policy is trying to do is stop the homes that are currently empty becoming the entrenched empty homes of the future.
- 4.6 Owners of empty homes responding to this survey have clearly had issues through the pandemic attracting builders, experiencing a lack of buyers and other property specific issues which impact on their ability to undertake repairs. Some owners are buying property without doing thorough checks and arguably making poor investment decisions. Those owners currently working on their property are concerned that the premium would impact their ability to fund the renovation costs. Neighbours of empty homes are suffering as a result of the neglect of the empty property next door and respondents also commented on the wider impact on the local community when combined with holiday homes and 2nd homes.
- 4.7 There was overwhelming support for the introduction of the higher premiums, that these would encourage owners to bring homes back in to use and that this should happen from April 1st 2023. Respondents were split in their views concerning any form of financial support for owners based on the perception that anyone who owns two or more properties is inherently wealthy and should not need public funding. However this needs to be balanced against the opposite view in that for some owners, the property will become their sole residence once renovation works are complete and those with specific leasehold or age designated properties that by their very nature have a significantly reduced market.
- 4.8 Based on the results of the survey officers consider that adopting the higher premiums from April 1st 2023 is appropriate. This will put owners of all empty homes on notice and represents a long term strategy to bring the overall numbers of empty homes down. However the use of discretionary relief is also considered appropriate in order to lessen the impact on those genuinely taking steps to bring their empty property back in to use. The operation of this process is set out below.

5 DISCRETIONARY DISCOUNTS

- 5.1 Some council tax payers apply for a discretionary council tax discount (under section 13A 1 C of the Local Government Finance Act 1992) to offset (effectively remove) the premium from their bills. The cost of these discounts is borne wholly by this Council. Under the Council's policy, before a discount may be awarded there must be evidence that paying the charge would cause undue hardship.
- 5.2 Since the introduction of the empty homes premium the Council's policy for discretionary council tax discounts (under section 13A) has been amended to allow a council tax discount to be granted in respect of age restricted accommodation. In Ashbourne particularly, there is an over-supply of privately owned older peoples' accommodation. The age restriction has meant homes have a limited market and new supply of competing homes has left families who have inherited property in a difficult financial position. For these Ashbourne properties the following discounts have been awarded:
- £1,908 in respect of two properties in 2019/20;
 - £4,408 in respect of three properties in 2020/21;
 - £4,712 in respect of three properties in 2021/22 so far.
- 5.3 From the start of the coronavirus pandemic the number of applications for discretionary discounts to effectively remove the empty homes premium has increased.

Table 4: DDDC share of the income and the impact of discretionary discounts

Year	2019/20	2020/21	2021/22 (forecast)
Number of properties where a premium has been charged	239	272	229
Total value of premiums charged	£259,193.22	£277,236	£315,941
Value of DDDC's share of the premium	£36,287	£38,813	£44,231
Number of discretionary discounts awarded to "offset" the empty homes premium	6	17	11*
Value of discretionary discounts awarded to "offset" the empty homes premium	£2,310	£15,913.	£16,400*
Net income to DDDC	£33,977	£22,900	£27,831

*Forecast based on applications received to date

- 5.4 If there is an increase in customers claiming 'exceptional circumstances' that they feel will make them eligible for a section 13A discount, it could become more costly/less financially beneficial than expected.

5.5 Dealing with applications for discretionary discounts is very time consuming for the council tax team and the Director of Resources. There has been an increase in applications since the pandemic, as there have been delays in completing renovations. While the government awarded extra grants in 2020/21 to help with the cost, at the time of writing this report the government has not awarded this type of funding to this Council for 2021/22. Recently, two customers whose applications for a discretionary discount have been rejected have indicated that they will appeal to a Valuation Tribunal. This will create additional work for council tax and legal teams and could result in extra costs for the Council.

5.6 It is worth reflecting on the purpose of the empty homes premium, which is not to simply generate additional council tax revenue but is to act as an incentive for owners to bring empty homes back into use. Some customers who have been charged the premium have argued that while they cannot provide evidence of undue hardship (which is required under the current policy to award a discount to offset the premium) the fact that they have to pay a premium means that they are being unfairly penalised when they are moving as swiftly as they can to complete renovations, market the property etc. This is especially the case where someone has purchased a property that has been empty for some time and the new owner “inherits” the empty homes premium and has to pay it from day 1. Some of the respondents to the survey argue that paying the premium means less financial resources are available for renovations and this adds to delays. This seems to run against the original intentions for the premium. According to the Government’s publication on Council Tax- empty homes premium, guidance for sale & letting (May 2013). Point six states:

“The government’s intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent.”

5.7 One solution could be to make changes to the Council’s policy for Council Tax Discretionary Discounts under Section 13A (1) (c) of the Local Government Finance Act 1992 to allow the Director of Resources more flexibility to award a discount to offset the empty homes premium where the applicant provides evidence that they are taking action (e.g. planning application, renovations, marketing) as soon as practicable to bring the empty home back into use, without requiring evidence of undue hardship.

5.8 Officer comment: While there would be an additional cost arising from this change to the discounts policy, that would be wholly borne by this Council, the likelihood of an appeal to a Valuation Tribunal, with the potential for additional costs for the Council, is reduced.

5.9 The consultation included such a change to the discounts policy. The results are shown in Appendix 3. Providing support or assistance for owners is clearly an emotive subject for some respondents. In particular the survey stated that current policy allows the council to award a discretionary discount where the higher premium causes financial hardship.

Respondents were asked if the council should apply this discount even when there is no hardship, provided the owner is genuinely attempting to bring the home back in to use. 68 respondents either strongly agreed or agreed with this approach whilst 69 disagreed or strongly disagreed with the award of a discretionary discount even if there is no evidence of hardship.

- 5.10 Officer comments: The consultation exercise showed that respondents have divergent views on whether the Council's policy on discretionary discounts should be revised, with those in support and those against being roughly equal.

It is recommended that the Council's discretionary discounts policy be revised to reflect government policy that owners of property that is genuinely on the housing market for sale or rent should not be penalised, and that this should be applied irrespective of whether there is evidence of undue hardship. This will provide more support than under the current policy and will avoid the risk of appeals to the Valuation Tribunal.

Due to the lack of clear support in the consultation exercise and the financial risk of increased awards of discounts (which fall wholly on this Authority while it only receives around 14% of income from premiums), further changes to the policy in relation to the empty homes premium (e.g. for planning delays or problems in getting a contractor) are not recommended.

- 5.11 The recommended amendments are reflected in the revised Policy for council tax discretionary discounts (under section 13A 1 (c) of the Local Government Finance Act 1992), attached as Appendix 4.

6 WORKING WITH OWNERS OF EMPTY HOMES

- 6.1 The premium is only one tool available to councils concerned about empty homes. Many councils also employ a dedicated post, typically an Empty Homes Officer. They play a vital role in advising and supporting owners of property to explore options, helping to publicise the premiums, sign post services to assist owners (how to engage an estate agent, get planning permission, building control services etc.), produce newsletters, develop strategies to support owners e.g. selling to the other housing providers, helping to engage private buyers, taking property to auction etc.
- 6.2 Without a dedicated resource the council lacks the capacity to properly support owners of empty homes and this can place strain on the Council Tax service in particular. The Council previously employed an Empty Homes Officer using external grant funding. Over a two year period this post had a significant impact on the total number of empty homes but came to an end when the grant funding expired.
- 6.3 Subject to Members' approval of the higher premiums, it is therefore proposed that the Council recruits an Empty Homes Officer from April 2022 to work with

owners of long term empty homes, with work commencing prior to the introduction of higher levels of premium in April 2023.

- 6.4 The New Homes Bonus (NHB) is a government grant that currently includes a financial reward for every long term empty home brought back into use. The amount varies depending on the national average council tax each year and the council tax band of each empty property. For 2021/22, the average amount that DDDC could receive for each property brought back into use is around £1,400. This source of income could be used towards the cost of an Empty Homes Officer. It should be noted that if the number of empty homes increases, the Council's income from NHB can reduce, impacting the overall finances of the Council. However, this financial risk has been mitigated by proposing a 3 year fixed term contract for the Empty Homes Officer.
- 6.4 The Empty Homes Officer could also support the Council's climate change objectives, advising on energy efficiency upgrades, compliance with MEES for properties available for rent and assisting with obtaining EPC certificates before sale.

7 RISK ASSESSMENT

7.1 Legal

The legal powers in relation to this Report are detailed within. This report is to give feedback to members on the current position since taking the decision to implement the premium and seeking authority to charge an increased premium. The application of an increased premium may lead to complaints and legal challenges, but a clear policy will mitigate some of these issues. Therefore legal risk is low but not completely absent due to the possibility of a Council Tax appeal.

7.2 Financial

The report indicates that the District Council's share of the higher empty homes premium is estimated as £28,000 p.a. This will be offset by the cost of any discretionary council tax discounts. While income from the empty homes premium has to be shared with major preceptors (this Council receives around 14%), the cost of these discounts is borne wholly by this Council.

Expanding the discretionary discount criteria will increase costs to the Council, the value of which is difficult to forecast at this stage.

The net income from the above and additional New Homes Bonus will assist the Council in financing an empty property officer. The cost in 2022/23 could be met from New Homes Bonus. In years 2 and 3 (2023/24 and 2024/25) the cost is expected to be funded by Derbyshire Dales District Council's proportion of the empty homes premium and any additional New Homes Bonus payments received. There is a risk that, in achieving the priority of reducing empty homes, the amount received in empty homes premium is reduced, and a further risk that New Homes Bonus is abolished, meaning that

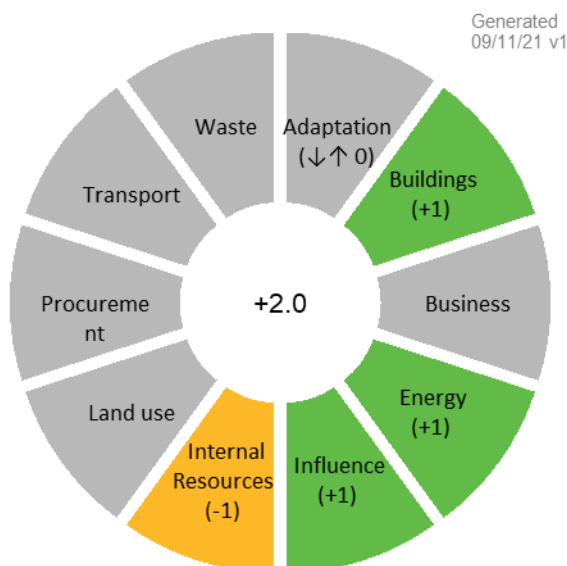
these sources of funding are no longer sufficient to cover the salary costs of the Empty Homes Officer. This risk has been mitigated by proposing a 3 year fixed term contract.

The financial risk is assessed as medium.

8 OTHER CONSIDERATIONS

- 8.1 In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.
- 8.2 The climate change impact assessment identifies that the proposal has the potential to support a decrease in emissions from homes in the district that neighbour empty properties through a reduction in energy required for heating. Reusing existing housing reduces the emissions inherent in the building of new homes and the associated necessary infrastructure. It also ensures the longevity of the existing housing stock, protecting the embodied carbon and decreasing the likelihood of properties deteriorating to the point at which demolition and replacement is needed.

Although the proposed new post represents an increase in emissions in terms of the necessity for the post holder to travel within the district this is mitigated by the wider benefit of bringing back into use a wasted resource within the housing stock of the District. Bringing empty homes back in to use will increase the supply of homes available for local people, and therefore supports the District Council's priorities as set out in the Corporate Plan.



DDDC has committed to being a carbon neutral organisation by 2030 (8 years and 1 months away).

8 CONTACT INFORMATION

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9 BACKGROUND PAPERS

None

10 ATTACHMENTS

Appendix 1 – Breakdown of predicted council tax income across the main precepting authorities for the next 10 years

Appendix 2 – 2019 Empty Homes Premium Survey

Appendix 3 - Summary of responses received from Empty Homes Premium consultation Dec 2021/Jan 2022

Appendix 4 – Revised policy for council tax discretionary discounts under section 13A 1 (c) of the Local Government Finance Act 1992) – **TO FOLLOW**

Appendix 1: Breakdown of predicted council tax income across the main precepting authorities for the next 10 years

The table below shows how the existing number of properties, which have been empty for 6 months or more, will generate additional Council Tax revenue over the next 10 years.

Year	Total Amount if 100% still empty	Assumed amount still empty	Total after allowance made for % still empty	DDDC	County	Police	Fire
2019/20	433,415	100%	433,415	50,772	316,192	47,872	18,578
2020/21	954,598	90%	859,138	100,644	626,773	94,894	36,827
2021/22	1,133,234	80%	906,587	106,202	661,389	100,135	38,861
2022/23	1,304,507	70%	913,155	106,972	666,181	100,860	39,142
2023/24	1,649,961	60%	989,977	115,971	722,225	109,345	42,435
2024/25	1,700,723	50%	850,361	99,616	620,371	93,925	36,451
2025/26	1,750,129	40%	700,052	82,008	510,714	77,322	30,008
2026/27	1,835,764	30%	550,729	64,515	401,778	60,829	23,607
2027/28	1,963,671	20%	392,734	46,007	286,514	43,379	16,835
2028/29	2,278,125	10%	227,813	26,687	166,198	25,162	9,765
2029/30	2,292,656	10%	229,266	26,857	167,258	25,323	9,827

Note: the table assumes a 10% reduction per year in the existing number of long term empty properties.

Appendix 2: 2019 Empty Homes Premium Survey

Public consultation Empty Homes Premium – Have your say

Introduction:

Derbyshire Dales District Council is consulting residents, owners of empty properties and other stakeholders on potential changes to the Council Tax charged on homes that have been empty for more than 5 years and more than 10 years. Empty homes are defined as those which are unoccupied and substantially unfurnished.

In 2013 the Government gave councils the power to charge a 50% premium, i.e. the whole Council Tax is charged, plus half again. From 1st April 2019 the government gave Councils the power to double the council tax on homes empty for more than 2 years. Derbyshire Dales DC previously adopted this change following consultation in 2018. There was overwhelming support at the time to do this, with 74% of respondents keen to see the premium introduced.

From 1st April 2020 Councils have had the power to triple the council tax on homes empty for 5 to 10 years and from the 1st April 2021 quadruple it for those empty for more than a decade.

Derbyshire Dales DC is considering adopting the higher premiums for homes empty for more than 5 years and more than 10 years. We estimate this will impact up to 100 empty homes. These properties represent a small but deteriorating proportion of the homes in the district. Some have been empty for longer than 10 years and show little sign of being brought back in to use. The Council recognises that some of these homes could be in a poor state of repair and it could take some time for owners to bring them back in to use. Some owners may also be in the middle of renovating or selling their property. As such the Council is keen to know your views about adopting the higher premiums from April 1st 2023, giving owners sufficient time to sell or renovate their property. These changes are proposed because empty homes are a wasted resource and can be the cause of anti-social behaviour. Empty homes also drain the heat from neighbouring occupied properties and impact the value of homes next door.

By increasing the Council Tax on homes that have been empty for more than 5 and 10 years, the Council aims to encourage owners to sell, improve or let their property. This will help to meet local housing need and reduce pressure for greenfield land to be released to build new homes. Additional resources raised by these higher council taxes could also be used to support a new officer post. This post would be dedicated to providing advice and assistance to the owners of empty homes who are unsure how to go about bringing them back into use. 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.

The Council is mindful that some people may face financial difficulty if the higher premiums are introduced. If owners are in financial hardship, the Council has the

discretion to cover the cost of the premium through a discretionary council tax discount.

The Council does not want to penalise owners who are actively trying to bring their property back in to use. Owners can face delays when trying to get planning permission or getting quotes from builders. The Council could also introduce a new discretionary council tax discount where there is evidence the owner is trying to bring the property back in to use but is experiencing delays through no fault of their own. This will benefit the owner but, because of the government regulations around council tax discounts, the cost of the discount would have to be funded by all of the residents in the Dales through their council tax. We are therefore keen to understand your views on whether or not the Council should assist owners of empty properties by providing a discount, even when there is no evidence that the owner will face undue hardship in paying the 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>)

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.

You can find more information about the national campaign to reduce the number of empty homes here <https://www.actiononemptyhomes.org/>

Benefits of bringing empty homes back in to use;

- The district council would use its proportion of the extra council tax to fund a dedicated officer post to support owners who need help to sell, renovate or let their property.
- 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. If the number of empty homes goes up, the Council receives less NHB.
- 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.
 - Neighbours of empty homes will also benefit.

The Consultation

The Council is consulting owners of empty homes, residents and stakeholders on the proposal to introduce the higher premiums on homes empty for more than 5 and 10 years.

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 all residents, people affected by empty homes and the views of the wider housing sector.

The survey is anonymous and does not require any personal information. The results of the survey will be stored electronically, collated and presented to Councillors in January 2021. You will be able to access the Council report from the 19th January via the Council's website at this address

<https://www.derbyshiredales.gov.uk/your-council/council-a-committee-meetings>

Questions

1. Are you a
 - a. Owner of an empty property
 - b. Neighbour of an empty property
 - c. Resident
 - d. Private landlord
 - e. Tenant of a private landlord
 - f. Tenant of a housing association
 - g. A letting agent
 - h. Representative of a housing association
 - i. Builder/developer
 - j. Town or parish council
 - k. Other public body
 - l. Charity

2. 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. If you do not own an empty property please go to Question 7
 - a. If yes how many? Please state
 - b. On average how long has your property/ties been empty?

3. Do you live in the Derbyshire Dales? y/n

4. If you own a long term empty home, why is it empty? (choose all that apply)
 - a. Unable to sell
 - b. Being renovated/repaired
 - c. Needs renovating – works not started
 - d. You are actively looking for tenants
 - e. Tenants/relatives or yourself are due to move in shortly
 - f. It's a 2nd home
 - g. Inherited the property
 - h. Owner is currently living in a residential/ care home
 - i. Lacking the mental capacity to sell
 - j. Bereaved/ divorced and unable to sell the property

- k. Other, please specify below
5. Are you currently working to bring your property back in to use? Please tick all that apply.
- a. The property is on the market to sell
 - b. The property is on the market to rent
 - c. I am renovating the property myself
 - d. I am renovating the property through a builder
 - e. I have applied or waiting for planning permission to make improvements
6. If you are struggling to bring your property back in to use what issues are you facing? Please tick all that apply
- a. The building/property is in such a poor state I don't know where to start
 - b. Finding an estate agent
 - c. Finding a letting agent
 - d. Uncertainty about legal requirements for rented homes
 - e. Difficulty getting quotes from builders
 - f. Difficulty gaining planning permission or making a planning application
 - g. I don't have the finance to pay a builder
 - h. The property is owned by more than one person and we can't agree what to do with it
 - i. Other please state;
7. Do you agree with the Council's proposal to:
- a. Triple the council tax liability for properties that have been vacant for 5 to 10 years y/n
 - b. Quadruple the council tax liability for properties that have been vacant for more than 10 years? y/n
8. How strongly do you agree or disagree that the proposals will encourage owners to bring empty homes back in to use?
- a. Strongly agree
 - b. Agree
 - c. Neither
 - d. Disagree
 - e. Strongly disagree
9. Do you agree or disagree with the proposal to adopt the higher premiums from April 1st 2023?
- a. Agree or
 - b. Disagree
10. If the proposals were adopted, how should the Council support owners of empty homes to bring them back in to use? Please tick all that apply
- a. Offer loans to fund improvements
 - b. Offer grants to fund improvements

- c. Buy the empty property or assist with finding a buyer
- d. Lease the property from the owner
- e. Other, please specify below

11. Current council policy allows a discretionary discount to be applied where the higher rate of council tax would cause hardship. Do you agree or disagree that this discount should also apply even where there is no hardship, provided that the owner is genuinely attempting to bring the home back into use but there have been unforeseen delays such as the availability of contractors?

- a. Strongly agree
- b. Agree
- c. Neither
- d. Disagree
- e. Strongly disagree.

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

Appendix 3: Empty Homes Premium consultation Dec 2021/Jan 2022

Summary of responses received

154 respondents completed the survey hosted on the Council's website. No comments were received concerning lack of access to the survey or complications completing the survey.

Of the 154 respondents, 59% described themselves as residents, 16% as owners of empty homes and 12% as neighbours of empty homes. Other groups were less prevalent including charities, private landlords etc. 88% of respondents lived in the Derbyshire Dales. 22 respondents said they owned a property that had been vacant for more than 2 years. The vast majority said they only owned 1 empty home though one owned 3.

Of the 24 owners, the average time their property had been vacant was 5.5 years with a range of 1 to 40 years.

Owners of empty homes were asked why their property was empty. The main reasons given included renovation (54%), unable to sell (25%), inherited the property (16%) and 12% described it as a second home. Some individual responses from owners included comments concerning property being for investment, restrictions over renting out due to a lease and lack of funds.

The majority of owners who responded to the survey appear to be taking steps to bring the property back in to use, 8 said the property was on the market to sell or rent, 7 are renovating the property themselves, 9 are renovating the property through a builder and 2 have applied or are waiting for planning permission.

Owners were asked what issues they are facing when trying to bring the property back in to use. The main concerns expressed by owners focused on;

- issues caused by the coronavirus pandemic and the impact both in terms of trying to get builders/consultants on site and sourcing materials;
- Age restrictions for retirement homes and the lack of demand when trying to sell;
- Lack of buyers or issues with buyers;
- Planning constraints;
- The scale and complexity of the renovation project.

All respondents were asked if they agreed with the Council's proposals concerning the higher premiums.

- 81.58% agreed with the proposal to triple the council tax for homes vacant between 5 and 10 years. 18.42% disagreed.
- 82.47% agreed with the proposal to quadruple the council tax for homes empty for more than 10 years, 17.53% disagreed.

Similar views were expressed about whether the premium would encourage owners to bring empty homes back in to use. 79.23% of respondents strongly agreed or agreed the proposals would encourage owners, whilst only 12.33% disagreed or strongly disagreed, 8.44% said they felt the proposals would do neither.

83.01% agreed with the proposal to adopt the premium from April 1st 2023, 16.99% disagreed with the proposal.

Respondents were asked how the Council could help owners bring their properties back in to use:

- Offer loans 51 respondents
- Offer grants 30 respondents
- Phase the increase in charges 17
- Buy or assist with finding a buyer 84
- Lease the property 49

Some respondents gave specific examples of the sort of support and assistance that could be offered. This ranged from providing no support at all to increased support with some respondents clearly not happy with any proposal that might provide financial assistance for owners. Equally, the same number of people also said the Council should work with owners. Others said extra help with planning applications would be useful and several suggested introductions to housing associations and almshouse trusts would be welcomed. There was also clear support from respondents to provide a waiver or relief relating to the premiums if owners are actively working on the property. Some respondents felt that imposing the premiums will only reduce the amount of money owners have to fund renovation works whilst others said the Council should use compulsory purchase to bring homes back in to use.

Providing support or assistance for owners is clearly an emotive subject for some respondents. In particular, the survey stated that current policy allows the council to award a discretionary discount where the higher premium causes financial hardship. Respondents were asked if the Council should award this discount even when there is no hardship, provided the owner is genuinely attempting to bring the home back in to use. 68 respondents either strongly agreed or agreed with this approach whilst 69 disagreed or strongly disagreed with the award of a discretionary discount even if there is no evidence of hardship.

The survey gave respondents the opportunity to provide further comments. These comments were considered and codified to identify the key themes put forward, which included;

- Clear support for the adoption of the premiums
- A need to consider issues on a case by case basis
- The premium would create a disincentive to speculative buyers wanting to take on a property with the aim of bringing it back in to use

- The premium is unfair because it takes money away from those who are trying to improve the property themselves
- Accessing available builders/contractors is a problem for some owners
- Some properties have specific issues such as age designation, which restrict the sale thereby causing properties to remain empty
- Members of the Armed Forces should not be penalised if they are on deployment or stationed elsewhere
- The Council should not offer grants to owners to fund renovation
- Specialist support would be helpful
- Such properties are none of the Council's business
- The neighbours of empty homes are suffering as a result of the condition of the empty property
- 5 years is more than enough time to bring an empty property back into use.