



Policy, Finance and Development Committee	Tuesday, 26 March 2024	Matter for Information and Decision
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Report Title:

Changes to the Council Tax Charges on Empty Property Policy (2024)

Report Author(s):

Claire Werra (Revenues & Benefits Manager)

Purpose of Report:	The purpose of this report is seek the Committee's approval to update to the Council Tax Charges on Empty Property Policy to include Council Tax premiums for Second Homes.
Report Summary:	The Levelling Up and Regeneration Act 2023 proposes to allow Billing Authorities the power to charge a 100% Council Tax premium for empty and furnished properties, known as second homes.
Recommendation(s):	A. That the Committee approves the amendments to the Council Tax Charges on Empty Property Policy (as set out at Appendix 1); and B. That the Committee make a decision on the options as set out at paragraph 3.1 of this report.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Teresa Neal (Strategic Director) (0116) 257 2642 teresa.neal@oadby-wigston.gov.uk Trish Hatton (Head of Customer Services & Transformation) (0116) 257 2700 trish.hatton@oadby-wigston.gov.uk Claire Werra (Revenues & Benefits Manager) (0116) 257 2681 claire.werra@oadby-wigston.gov.uk
Strategic Objectives:	Our Communities (SO2) Our Economy (SO3)
Vision and Values:	"Our Borough - The Place To Be" (Vision) Customer & Community Focused (V1) Proud of Everything We Do (V2) Resourceful & Resilient (V4)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out at paragraph 2.4 of this report.
Corporate Risk Management:	No corporate risk(s) identified.
Equalities and Equalities Assessment (EA):	There are no implications arising from this report.

Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	<ol style="list-style-type: none"> 1. Council Tax Charges on Empty Property Policy 2. Levelling Up and Regeneration Act 2023 (Excerpts)

1. Background

- 1.1 The Council Tax Charges on Empty Property Policy was approved by the Committee on 12 September 2023.
- 1.2 The Levelling up and Regeneration Act amends the definition of a dwelling being a "long-term empty dwelling" if for a continuous period of at least two years, to a continuous period of one year, from 1 April 2024. This change is now reflected in the Council Tax Charges on Empty Property Policy.
- 1.3 The Levelling Up and Regeneration Act 2023 also includes a provision to charge a new Council Tax premium for furnished empty properties, known as Second Homes, at a rate of 100% from the day the property becomes unoccupied. See **Appendix 2**

2. Policy Details

- 2.1 The policy intention is to encourage owners of second homes to make their homes available for permanent occupations and therefore improve the supply of housing and for owners of second homes to make greater contribution to Council Tax receipts.
- 2.2 Second homes for Council Tax purposes include furnished rental properties and properties occupied by a person who has their sole or main residence elsewhere.
- 2.3 The intention to charge a premium on second homes would result in landlords paying more Council Tax during periods when properties are not let including potentially short periods between tenancies. The Council could specify a minimum period before the premium was to apply allowing landlords a reasonable length of time to manage the move between tenants.
- 2.4 We currently have 38 properties which are classed as second homes for Council Tax purposes. Based on this volume and the 24/25 Council Tax charges, applying the premium could generate an additional £72,140.51 in annual Council Tax revenue. The Council's portion of this would approximately be £8245.66 (based on retention of 11.43% of the overall income).

(Continued overleaf)

3. Matters For Consideration and Decision

- 3.1 The Council does not have to implement the second home premiums, but by not doing so, properties will remain unoccupied for longer as there is no incentive to re-occupy and the opportunity to maximise our Council Tax receipts is lost. If the Council does implement the second home premiums, the options available are:
 - 3.1.1 Apply the second home premium from the date the property becomes unoccupied, or
 - 3.1.2 Apply the second homes premium 12 months after the property becomes unoccupied to bring it in line with the long-term empty premium.
- 3.2 A determination to apply the charge must be made 12 months in advance of the financial year in which the charge is due to apply. The Council must therefore make a determination before 31 March 2024 if the intention is to apply the second home premium from 1 April 2025.
- 3.3 If approved, the second homes premium charge will be added as an Appendix to the Council Tax Charges on Empty Property Policy. See **Appendix 1**.