

# **Council Tax Empty Homes Premium**

## **Policy Guidelines**

**Approved February 2019**

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### **1. Introduction**

This document sets out Pendle Borough Council's (the Council) policy on the application of the Council Tax Empty Homes Premium (the Premium). It also considers factors that the Council will take into account when deciding whether to defer the payment of the Premium.

Within the framework of the Council's Empty Homes Strategy, in recent years the Council has pro-actively taken action to reduce the number of long term empty properties, both to deal with the blight caused by such properties and to increase the housing supply. In 2015, amongst the measures implemented as part of the Strategy was the introduction of the Council Tax Empty Homes Premium for properties that have been empty for more than 2 years.

Up to 31<sup>st</sup> March 2019, the Council Tax Empty Homes Premium is 50% (being the additional Council Tax charge for a property that has been empty and unfurnished for a period of more than 2 years).

### **2. The Council Tax Empty Homes Premium**

In accordance with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, the premium will be applied as follows:-

#### **From 1 April 2019**

- Properties empty for over 2 years – the maximum premium will be 100% (increased from 50%)

#### **From 1 April 2020**

- Properties empty for a period of 2 to 5 years – the maximum premium will be 100%
- Properties empty for a period of more than 5 years – the maximum premium will be 200%

#### **From 1 April 2021**

- Properties empty for a period of 2 to 5 years – the maximum premium will be 100%
- Properties empty for a period of 5 to 10 years – the maximum premium will be 200%
- Properties empty for a period of more than 10 years – the maximum premium will be 300%.

### 3. Deferring the Council Tax Empty Premium Charge

The Council accepts that there are certain circumstances where it is reasonable to consider deferring the Premium. These are as follows:-

- **Change of ownership** – only where the new owner has taken genuine action to return the property to occupation within a period of up to 12 months from taking ownership and can provide evidence to the Council’s satisfaction which supports this action.
- **Inherited Properties in need of renovation** – only where the new owner has taken genuine action to return the property to occupation within a period of up to 12 months from taking ownership and can provide evidence to the Council’s satisfaction which supports this action.
- **Legal or official actions causing a delay** – only where action to return the property to occupation has been delayed by legal action or by the actions of any official body with powers to take such action, eg: the Council, solicitors or a utility company, etc. The Owner must have taken action to return the property to occupation within a period of up to 12 months from the date the official action ended and can provide evidence to the Council’s satisfaction which supports this action.
- **Properties with a restrictive covenant that affects occupation** – only where the owner is genuinely seeking to sell or rent the property and can provide evidence to the Council’s satisfaction which supports this action.

Any deferral of the Premium agreed by the Council will not apply for any period prior to 1<sup>st</sup> April 2019.

Where the Council agrees to defer the Premium, this will mean that the Owner of the Property will remain liable only for the standard Council Tax charge for the applicable property for the agreed period of deferral.

It is expected that the property will have been brought back into occupation by the end of the period of deferral. Where this is the case, the Premium will no longer apply.

Where that is not the case, and the Property remains empty, the Premium will be charged retrospectively from the first day that the Property became empty. This is regardless of whether a period of deferral had been allowed.

The Council will not defer the Premium where evidence shows that the Owner:-

- a) hasn’t taken all reasonable steps to return the property to occupation;
- b) has caused any delay in works being started within the six month period from the date of their taking ownership.

- c) is responsible for the delay in completing works even if the works were started within the six month period after a change in ownership.

Each application for a deferral of the Council Tax Empty Homes Premium will be considered on its own merits and in accordance with these Policy guidelines.

#### **4. Period of Deferral**

The Council will decide the length of time for which the Premium will be deferred. As indicated above, this will be on basis of the evidence supplied and the facts known. The maximum period for deferring the Premium will be 12 months.

The Council will only allow one period of deferral (lasting individually or cumulatively for 12 months) per Property (regardless of a change in Ownership).

The period of deferral will normally start from the date an application and supporting evidence is received by the Council. The Council must be satisfied that the circumstances supporting the deferral existed at the time of the application. The deferral will continue for a period of up to 12 months so long as those circumstances remain unchanged.

The Council reserves the right to make routine inspections of the property during the period of the deferral and may review the award to satisfy itself that the circumstances of the deferral remain applicable.

The start date for deferring will normally be the date the application is received by the Council providing the Council is satisfied the reasons for the exemption existed at that time and the exception will continue for a period of twelve months subject to those circumstances continuing.

The Council will comply with any Regulations issued by the Secretary of State in relation to any application and have regard to any related national policy guidance.

#### **5. Claiming a deferral of the Council Tax Empty Homes Premium**

All applications under these policy guidelines to defer the Premium must be made using the Council's application form and be signed by the owner of the empty property or their representative. Applications should be made via the Council's Website.

The Council may arrange an appointment to visit any applicant who is unable to complete the application form or to verify the details provided which may require access to the empty premises.

The applicant must include all relevant supporting evidence when submitting their application. The Council may reasonably request additional evidence in support of an application. This must be provided within one month of such a request. If the additional evidence is not provided within this timescale the application will be determined on the evidence submitted but may fail due to insufficient evidence.

The Council reserves the right to verify any information or evidence provided by the Applicant with third parties where appropriate.

Payment of Council Tax and the Empty Homes Premium should not be withheld whilst awaiting the outcome of an application or the review of a previous decision.

## **6. Changes of Circumstances**

The Council may need to withdraw the deferral of the premium if the circumstances relating to the empty property have materially changed. The applicant must notify the Council of any change in circumstances affecting the deferral within 21 days. Failure to do so may result in the deferral being revoked in full.

A deferral will be withdrawn effective from the date on which the change in circumstances occurred. From the date the premium will be due.

## **7. Notification**

The Council will inform the applicant in writing of the outcome of their application within 28 days of receipt, or as soon as possible after. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review.

## **8. The Right to Seek a Review of the Council's Decision**

As there is no statutory appeals mechanism the Council will operate its own appeals procedure. This will apply where a decision not to defer the premium has been made and an applicant disagrees with that decision and requests a review.

A request for a review must be made in writing to the Chief Financial Officer within one calendar month of the written decision being issued. The Chief Financial Officer will review all the evidence held and may ask for further clarification to be provided.

A decision on the review will be made within 20 working days of the request. The decision will be notified to the applicant in writing, setting out the reasons for the decision and this will be final with no further right of appeal.

## **Example**

### Property Details

No 10 Acacia Avenue has been empty and unfurnished since 1 April 2012. Under the proposed policy, from 1 April 2019 this property will attract a Council Tax Empty Homes Premium of 100%.

Mr A buys No 10 Acacia Avenue on 1 October 2019 and intends to renovate the property for re-letting. Mr A applies and is granted a deferral of the Premium from 30 October 2019 for a period of up to 12 months.

### Scenario 1

Mr A completes renovation of the property on 1 March 2020 and the property is let on 1 April 2020.

No premium is payable.

### Scenario 2

Mr A completes renovation of the property on 1 March 2020 but is unable to let the property within 12 months of acquiring the property.

No premium is payable from 1 October 2019 to 30 September 2020, but a premium is chargeable from 1 October 2020 (the rate of premium chargeable is based on the time expired since the property first became empty and is irrespective of changes of ownership).

### Scenario 3

Mr A does not complete the renovation of the property within 12 months of acquiring the property meaning it is not capable of being re-let (and reoccupied) within the 12 months since the property was acquired.

The premium is payable as though no deferral had been granted.