



# Rutland County Council

## Consultation on the Council Tax premium for long term empty homes

### 1. Why are we consulting?

The Government gave local authorities discretion to set a premium for long term empty homes. The premium increases the amount of Council Tax that people pay on their bill if they own a home that has been empty for over 2 years.

We set our premium at 50% from April 2018. Since then the Government has given local authorities discretion to further increase the premium as follows:

- a maximum of 100% premium for properties that have been empty for less than five years;
- a maximum of 200% premium for properties that have been empty for more than 5 years: and
- from 2021/22, onwards a maximum of 300% premium for properties that have been empty for at least ten years.

There are two key drivers that have prompted us to think that we need to look at them again now:

- a) We continue to face financial pressures. Although we spend less per household than the average UK council, we continue to receive less central government funding than other councils. It is therefore important that we look at the premium that we charge to make sure that we consider any opportunities to increase our income before we look at reducing or cutting services.
- b) Empty homes continue to have an impact on our community. They can be a health and safety risk to others, they can be a focal point for anti-social behaviour and they can be a waste of housing when people are in need. We want to do what we can to bring empty homes back into use.

### 2. What are we consulting on?

We are asking for your views on 4 main issues:

- a) whether we should we do what we can to increase our income;
- b) the amount of premium that we charge on long term empty homes;
- c) whether we should provide an exemption to the premium for certain groups; and
- d) whether or not we should help people who have a premium to pay but are suffering from genuine financial hardship.

### **3. What we are not consulting on?**

We are not consulting on:

- a) Our Local Council Tax Support scheme and the discretionary fund that sits alongside the main scheme. This helps people who are on a low income and reduces or fully remits the amount of Council Tax that they have to pay.
- b) Our Discretionary Crisis Fund that helps people in one-off severe financial hardship.
- c) Our Discretionary Housing Payments Policy. This fund helps people who have a shortfall in their rent.
- d) Other empty home exemptions that we can't change because they are set by central government. For example- a home that is empty as the owner is now living in a residential care home.

We have no plans to change the above. If we want to look at these again we will conduct a separate consultation.

### **4. How can I have my say?**

We are inviting all residents and other key stakeholders to have their say and we are keen to hear your views so please tell us what you think by:

- Completing our online survey at <https://www.rutland.gov.uk/my-council/have-your-say/public-consultations/>
- Completing and returning a paper survey

A large print copy is available on request. If you need some help in completing the questionnaire please contact us by email at [localtaxation@rutland.gov.uk](mailto:localtaxation@rutland.gov.uk)

### **5. What happens next?**

The consultation closes on 2<sup>nd</sup> October 2019. We will use the information from the consultation to help make our decision. A report with recommendations will be taken to Cabinet on 15<sup>th</sup> October 2019.

1. We continue to face financial pressures. Although we spend less per household than the average UK council, we continue to receive less central government funding than other councils. It is therefore important that we look at all the level of premium that we charge to make sure that we consider any opportunities to increase our income before we look at reducing or cutting services. There is more information on our website about our funding and spending here <https://www.rutland.gov.uk/my-council/contacts-facts-and-figures/council-spending/low-cost-council/>

**Do you think we should do what we can to increase our income before we look at reducing or cutting services?** (please tick one box)

Yes  No  Don't know

**If No, can you indicate what services you think we could reduce or cut?**

2. We currently charge a premium of 50% on homes that have been empty for over 2 years. This means that people pay 150% Council Tax.

**Example 1-** Ms Baxter lives in Birmingham and owns Hope Cottage in a Rutland village. The property has been empty and up for sale for 4 years. She has received a number of offers but none for the asking price. The house is in Band B. Ms Baxter has been charged an extra 50% on her Council Tax bill for this house from 2019/20 (£592.29).

If we increase the premium Ms Baxter will pay a premium of 100% from 1<sup>st</sup> April 2020 (£1,184.58), a premium of 200% from 1<sup>st</sup> April 2021 (£2,369.16) and a premium of 300% from 1<sup>st</sup> April 2025 onwards (£3,553.74).

**Example 2-** Mr Webb owns Foxglove House in Oakham. Mr Webb inherited the property when his mother died 6 years ago. He doesn't want to sell or rent out the house as he is emotionally attached to it. The house is in Band C. Mr Webb has been charged an extra 50% on his Council Tax bill for this house from 2019/20 of £915.52.

If we increase the premium Mr Webb will pay a premium of 200% from 1<sup>st</sup> April 2020 (£3,662.08) and premium of 300% from 1<sup>st</sup> April 2023 onwards (5,493.12)

In 2018/19 we charged 35 premiums at 50% which resulted in additional income of £26,500.

**Do you think we should increase the premium to: 100% for properties that have been empty for less than five years; 200% for properties that have been empty for more than five years and 300% for properties that have been empty for longer than 10 years (the latter from 2021/22)? (please tick one box)**

**Yes**

**No**

**Don't know**

**Please explain why you have said yes or no**

**3. The Government have decided that there are some exemptions from being charged the premium, these are:**

- A property which is left empty by a member of the armed services, who is away from the property as a result of their service; and
- A property which forms part of single property i.e. an annexe

We can also determine other circumstances that we may want to exclude from paying the premium.

Example - Mr Radcliffe inherited Raven Lodge, Cottesmore when his mother died 4 years ago. The bungalow is on a complex for the over 55's. It is being actively marketed and the price has been reduced to attract a buyer but to date, no offers have been made. Mr Radcliffe has been billed for Council Tax and a premium on the empty home. He can't afford to pay the bill because he is in poor health and is receiving home care and his sole income is from state benefits.

**Do you think we should offer an exemption from paying the premium if the owner is actively trying to sell or let the property for a reasonable local market value?**

**Yes**

**No**

**Don't know**

**If you think we should exempt other types of owners or circumstances please tell us who and why?**

4. We currently offer help to people who have to pay Council Tax for an empty home but can't afford to pay their bill due to genuine financial hardship.

Example - Miss Browne owns and lives at Cherry Cottage, Langham. Her house was struck by lightning, a fire broke out and she had to move out. She has been rehoused in temporary accommodation by her home insurance company. Miss Browne has been billed for Council Tax and a premium on the empty home. She can't afford to pay the bill because she is unable to work as she was injured while she was escaping from the fire and is now claiming out of work benefits.

**Do you think we should continue to offer a discretionary discount to people who have to pay council tax for an empty home if they are suffering from genuine financial hardship? (please tick one box)**

Yes

No

Don't know

5. **Do you have any other comments that you wish to make about paying a premium on long term empty homes?**

6. **Please indicate which statement best describes you:**  
(please tick one box)

- |  |                          |
|--|--------------------------|
| a) I own a property in Rutland that is empty | <input type="checkbox"/> |
| b) I live in Rutland                         | <input type="checkbox"/> |
| c) I am representing an organisation         | <input type="checkbox"/> |
| d) Other                                     | <input type="checkbox"/> |

Thank you for taking the time to complete this survey.

Please return this completed survey to Rutland County Council, Catmose, Oakham, Rutland LE15 6HP.