

## Introduction

We welcome the opportunity offered by Eric Pickles to review Council Tax discounts and exemptions in respect of empty homes. Our proposals below reflect the need to balance the interests of the wider community with the requirement for an equitable tax system.

## About the Empty Homes Network

We are a national network launched in 2001 as the *National Association of Empty Property Practitioners* with the support of the government and the Empty Homes Agency. Since 2002 we have been fully independent. Most of our members work for local authorities in private sector housing or housing enabling teams; we also have members belonging to housing associations, regeneration companies and private sector firms. Our main role is to support one another to make work in tackling empty homes as effective as possible by sharing best practice and information. We also seek to ensure that national policy is informed by the experience of our members.

## Principles

We recognise that different tax regimes fulfil different purposes and respond to different drivers. It is generally accepted that tax systems can

1. be redistributive ie impose a greater burden on those who are better off compared with those who are worse off
2. attempt to encourage desirable behaviour through positive incentives
3. attempt to discourage undesirable behaviour through dis-incentives.

In either of the last two cases, it should be expected that

4. there is some evidence to show that the tax measures do actually influence behaviours as intended and that no “perverse incentives” to other undesirable behaviours are inadvertently created.

Examples of redistributive tax would include most obviously income tax, with its progressive features such as the higher 40p and 50p tax rates; and inheritance tax.

Examples of tax measures to incentivise positive behaviours would include historic tax breaks (capital allowances) to encourage investment by small businesses in IT equipment; lower duties on LPG fuel; VAT exemptions for green vehicles.

Examples of tax measures to discourage less desirable behaviours would include most obviously high duties on tobacco, alcohol and fuel and higher road tax on less fuel-efficient vehicles.

The government's decision to abolish Flat Conversion Allowances from 2013 is an example of a tax incentive which, based on the research evidence, has failed (in the eyes of the government) to influence behaviour sufficiently to warrant retention.

A further aspect of most taxation is some notion of a "normal" level of taxation, such as the standard rate of VAT or of income tax, against which tax concessions or higher rates of tax can be measured.

## Applying principles to Council Tax

**We would expect the Council Tax system to reflect the above principles in respect of empty homes.**

Accordingly, given the shortage of housing in Britain and the known problems that empty homes can cause, we think it reasonable that, provided the tax measures are proportionate, the Council Tax system should:

- provide incentives to people to bring empty homes back into use; and
- discourage people from allowing them to stand empty.

Of these, the second is more important. "Prevention is better than cure". If it is necessary to incentivise people to return empties to use then this would suggest that the system has previously failed to discourage them to leave their homes empty to start with. Rewarding people for bringing homes back into use always carries with it the risk of acting as a perverse incentive to leave a home empty in order to earn the tax benefit of bringing it back into use further down the line.<sup>1</sup>

In short, we should reasonably expect to see a tax system where a major design consideration is to discourage people from leaving homes empty.

With empty homes there is a complication that "people" could refer either to those liable for **paying** the Council Tax or to those **receiving** the tax revenue. So, for example, an Empty Homes Premium would provide an incentive to council tax payers to bring their empty homes back into use; but whoever retains the extra revenue (whether local authority or central government) will have less financial incentive to tackle long-term empties. The availability of New Homes Bonus makes the picture even more complicated and creating a system that avoids perverse incentives altogether is to say the least challenging.<sup>2</sup>

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<sup>1</sup> For example, if an empty home in need of major refurbishment has been empty for 18 months, there must be a temptation to leave it empty for a further 6 months to benefit from the 5% VAT that would then be applicable to the work. A much more rational system would be where the 5% rate applied where homes had been empty for less than 2 years and a normal 20% rate applied where they had been over two years.

<sup>2</sup> Even prior to the introduction of the New Homes Bonus there were reports by empty homes practitioners of Council Tax departments continuing to record as "occupied" homes that were known to be empty, so long as full Council Tax was being paid. This "don't want to know" attitude is likely to have become more entrenched with the introduction of a definite disincentive to record empties under the New Homes Bonus regime.

Council Tax as a tax regime is reviewed in Annex A, where we note that the “normal” rate can be thought of as the rate applicable to a Band “D” home that is fully occupied. Accordingly, where people pay less tax than this, they are in receipt of a **tax break** (a term used by Eric Pickles in announcing the review); and where they pay more, they are subject to a **tax surcharge** or **premium**.

Tax breaks such as special discounts or exemptions applicable to empty homes should be justified by evidence that they produce desirable behaviours that offset the need for the rest of the community to make up the short-fall in revenue – or to suffer cuts.

As regards the redistributive aspect of Council Tax, there is little relevance to empty homes with one exception: in areas of low demand, with compromised housing markets, the amount of Council Tax payable on lower-end (eg Bands A to C) properties will often be disproportionate in the context of the actual value of the home. In a better-off area, a Band A property may be worth £100,000; in an area of low demand it might worth £30,000. This has the potential to create genuine hardship amongst those on low incomes who have acquired homes that were always cheap but have since plummeted in value and may be virtually unsaleable. In these circumstances the Council Tax system can be thought of as insufficiently progressive.

## Response to the Consultation

### General comment

We have restricted our response to the questions in Section 2 and questions 21 and 22.

We agree strongly with two key aspects of the proposals:

- that the tax raised should be retained locally
- that there should be scope for local discretion in establishing local discounts

The Consultation seeks views on reforms to some of the existing exemptions and discounts. We think this should have been more systematic as there are further changes that we think are warranted. We support the LGA view on this subject:

The LGA welcomes any measures that allow of greater local decision making, **but we wish to understand why some exemptions are to be reformed, others remain the same and the majority remain untouched, costing council tax payers significant sums of money.**

We highlight specific concerns about the abuse of Exemption “F” in Annex B.

## Discounts for second homes

### **Question 1**

*Do you agree with the Government's proposal to extend the range of discount available to billing authorities in respect of second homes to 0 to 50 per cent?*

We think the tax regime for second homes should be put on the same footing as for empty homes, except in cases where the home is occupied during the week in connection with employment, where it should be treated as "normal occupation", thus benefitting in some circumstances from the single-occupancy discount.

If this proposal were adopted, second homes would also become subject to the empty homes premium. This would prevent tax avoidance whereby long-term empty homes might be furnished in order to avoid the empty homes premium, whilst providing much needed income for those areas where high numbers of second homes have had a negative impact on local services and local housing opportunities.

### **Question 2**

*How might authorities choosing not to offer any discount on second homes identify them in order to report second homes as necessary for formula grant purposes?*

It is the duty of the liable person to give correct information about their second homes to the council not for the "authorities ...to identify them".

Misreporting of homes eg as a main residence when it is actually a second home should attract appropriate penalties as with other forms of tax evasion. For example, any penalty would be expected to include criminal conviction as well as tax surcharges payable to the local authority, which could be used to offset the costs of ensuring compliance. The availability of discounts during the initial period of ownership would be one incentive for accurate reporting.

We recognise that the above will not necessarily prevent tax evasion in all cases but it should be sufficient deterrent to work in the majority of cases.

## Class "A" exemption

As with other exemptions, the question must be "what behaviour is this tax-break designed to encourage?". About the only justification we can see for this is that it may make it easier for potential occupiers to live elsewhere and therefore upgrade their future home to a higher standard than might be the case if they were in occupation. Arguably, such a tax concession should be accompanied by a requirement that the home is upgraded to higher environmental standards.

### **Question 3**

*Do you agree with the Government's proposal to abolish Class A exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?*

Yes.

### **Question 4**

*If Class A exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the one-year time limit continue to apply, or should billing authorities have any discretion about it?*

We suggest that the billing authorities should have discretion about it, subject to a maximum of one year and a minimum of 3 months.

See also our comments on **New Homes Bonus and Exemptions** at the end of our response.

### **Question 5**

*If Class A exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?*

Yes. Let there be some opportunity to innovate. See for example our suggestion above about taking the opportunity to improve environmental standards.

## **Class "C" exemption (short-term empties)**

We are not aware of any research-based evidence that this tax break produces beneficial behaviours. Moreover, the failure to levy a normal rate of tax would seem, *prima facie*, to tend in the opposite direction by making it easier to leave a home vacant. The removal of the exemption can have two different beneficial effects with regard to empty homes.

- Firstly and most obviously it will generate much-needed revenue for local authorities, some of which can be fed back into empty homes initiatives. Currently, empty homes work is being undermined in many areas where practitioners are losing their jobs as a result of the cuts. Even if the exemption is replaced with a 50% discount, there can be no local authority where the additional revenue would not easily cover the cost of an effective empty homes initiative.
- Secondly, the arrival of a bill can be expected to provide a wake-up call to owners of empties. The effect may be disproportionate to the amount of money involved: the very fact that a bill arrives can spur an owner into action. This should mean not only fewer short-term empties but also fewer long-term empties because more homes are likely to be brought back into use before they become long-term empty.

Given the large numbers of short-term empty homes (nearly 270,000), even a relatively small effect, say a reduction of 25,000 (around 10%), would be the equivalent of building 25,000 new homes if the reduction was maintained.

We recognise that there may be hardship circumstances where a discount is justifiable for example in cases where someone has moved to work elsewhere and has been unable to sell or rent their home. In that case a discount or exemption can be thought of as supporting a more mobile labour force. Against this, homes in most parts of the country will sell or can be let if correctly priced and it is not the job of other tax-payers to support unrealistic expectations. Moreover we would expect the number of cases where genuine hardship might occur as low relative to the overall numbers of homes benefiting from the Class “C” exemption.

On balance we think there is a compelling case for local discretion to take account of the wide range of situations and circumstances that can arise, but the principle of replacing the exemption with a discount is right.

We think there is a case for taking account of the administrative overheads associated with collecting the tax: this might exceed the value of the tax collected. This could happen with very short periods of vacancy such as might exist between tenancies, when responsibility for paying tax would pass briefly to the landlord. The ideal arrangement would be if Council Tax was payable from day 1, but the charge would be waived if the amount was under a given threshold (to be set locally). This would provide further encouragement to bring the home back into use sooner rather than later.

We are concerned that removing any discount altogether will result in under-reporting of empty homes. We would suggest that a minimum discount of 50% be available for at least 3 months to ensure that this does not happen.

### **Question 6**

*Do you agree with the Government’s proposal to abolish Class C exemption and replace it with a discount which billing authorities may set in the range 0 to 100 per cent?*

Yes subject to sufficient discount being available for long enough to ensure that empty homes are still reported as empty. We think this would be a 50% discount for at least 3 months.

### **Question 7**

*If Class C exemption is replaced by a discount, for what period should the new discount apply before such properties are treated as long term empties? Should the six month time limit continue to apply, or should billing authorities have any discretion about it?*

Although there are some common-sense grounds for permitting definitions of “long-term-empty” to vary from area to area, in order to reflect the variable nature of the housing market across the country, this would mean losing consistency. It would complicate the New Homes Bonus regime. It would make historical trends hard to plot. Accordingly, we would not support such a change.

However, we think the tax system should allow a stepped approach to discounts which would create the necessary flexibility without changing this particular definition. For example, some Councils might choose to retain a 50% discount through to the end of 12 months, before removing the discount (perhaps reflecting a difficult housing market), whereas other Councils might remove

any discount after 6 months. The definitions of long-term empty would remain the same in both cases and we can see no impediment to producing statistics from Council Tax databases.

### **Question 8**

*If Class C exemption is replaced by a discount, should billing authorities be empowered to give different levels of discount for different cases?*

Definitely.

## **Class “L” - mortgagee in possession**

### **Question 9**

*Should Government seek to make mortgagees in possession of empty dwellings liable to council tax?*

Our answer would depend on whether the costs of the council tax could subsequently be recovered from the legal owner. If so, we would think this would be unfair, as council tax debts could accrue through inactivity by the mortgagee-in-possession, over which the legal owner would have no control.

If the council tax debt had to be absorbed by the mortgage lender then we would regard this as an appropriate change because:

- the mortgagee-in-possession would have an incentive to bring the home into beneficial use or sell it sooner rather than later
- lenders would have further incentives to lend money responsibly to avoid incurring costs of this nature.

See also our comments on ***New Homes Bonus and Exemptions*** at the end of our response.

## **Long-term empty dwellings - Empty Homes Premium**

It is reasonable to assume that, in the absence of confounding factors, an empty homes premium would encourage owners to bring home back into use earlier than might otherwise be the case.

The main issues for us would be tax avoidance. One option would be for owners to introduce furniture into their empty homes so that the latter were no longer counted as long-term empty. That option already exists but the differential between tax on second homes and long-term empties is low in most areas. With a greater differential the temptation to pursue this option would be stronger. Local authorities have incentives, via the New Homes Bonus, to encourage this behaviour.

Partly for these reasons, we strongly recommend that the tax regimes for second homes and long-term empties are brought into sync and that New Homes Bonus is calculated on the aggregate of changes in the numbers of long-term second homes and long-term empties. This would also

reward councils where homes moved from being second homes to being “normal” homes, rightly reflecting a genuine increase in housing supply.

Another concern would be an increased incentive for owners to damage or demolish their empty homes in order to remove them from the Valuation Lists altogether. Such behaviours could adversely affect the wider community. We strongly recommend that the relevant rules are tightened up to prevent this.

A secondary issue is whether retaining the empty homes premium would make local authorities less likely to want to tackle empty homes; and this is connected with how an Empty Homes Premium would interact with the New Homes Bonus.

The New Homes Bonus offers a good incentive for local authorities to help bring empties back into use but also to accept misreporting of empties as occupied or to promote the conversion of an empty home into a second home by introducing furniture as mentioned earlier. There are currently no incentives that support robust recording of empty homes as empty. The Empty Homes Premium would for the first time provide such an incentive.

On current indications, the balance still seems to favour giving priority to the New Homes Bonus as against the Empty Homes Premium: NHB is worth 100% of council tax, whereas the Empty Homes Premium is likely to be worth only 50% if reported statements by Andrew Stunell are taken to reflect government thinking; rewards and penalties associated with NHB kick in after as little as 6 months empty, whilst the Empty Homes Premium has been indicated as kicking in after two years.

Our recommendation is for the two systems to be brought into sync, with Empty Homes Premium becoming chargeable after 6 months (at the discretion of the local authority) and with the option to set this as high as 100%. This is the system being proposed in Scotland. Currently, owners can inflict losses of New Homes Bonus on the entire community by leaving their homes empty: an Empty Homes Premium chargeable to the owner and on a comparable time-scale create more of a balance. Some of the additional revenue could be allocated to the work of identifying empty homes, for which there is currently no incentive.

Local authorities should have the option to introduce “stepped” arrangements for Council Tax and Empty Homes Premium so that, for example, the amount of council tax goes up by 50% every 6 months eg 0-6 months, 50%; 6 months to a year, 100%; 12-18 months, 150%; 18 months plus, 200%; (or whatever scheme is appropriate for local circumstances).

### **Question 10**

*Would enabling local authorities to levy an empty homes premium on council tax have a significant impact on the number of homes being left empty?*

It would be bound to have a positive impact.

### **Question 11**

*In terms of a percentage of normal council tax, what should the maximum permitted premium be?*

100% in line with the New Homes Bonus.

### **Question 12**

*How long should a dwelling have remained empty before the empty homes premium might be applied in respect of it?*

6 months in line with New Homes Bonus.

### **Question 13**

*Should constraints be placed on the purposes to which the additional tax revenue generated from an empty homes premium may be devoted?*

It should be hypothecated for housing and 80% should be retained by the housing authority in two-tier areas (in line with New Homes Bonus).

Owners should have the right to appeal the Premium if the Council does not meet “Minimum Standards” for its empty homes initiative including voluntary schemes for re-use of empties.

### **Question 14**

*What circumstances if any should be defined as being inappropriate for levying the empty homes premium, and why?*

Councils should have discretion to set levels of Empty Homes Premium that reflect local circumstances. We are not aware of any circumstances that are of such a general nature that they would warrant definition by central government. There are currently no such circumstances defined in relation to long-term empties and it is hard to see why the introduction of the premium would now require this.

### **Question 15**

*What practical issues would have to be addressed if the premium were to be implemented (for example in the consistent identification of empty homes) and how should they be resolved?*

See above. We suggest:

- bringing the Empty Homes Premium into sync with New Homes Bonus as regards timing and amount
- treating second homes and empty homes as equivalent for Council Tax and New Homes Bonus purposes (except where clearly needed to support employment)
- tightening up the rules that allow owners to damage properties in order to get them removed from Valuation Lists: “once a dwelling, always a dwelling”.

## **Question 21**

*In what circumstances if any do the rules requiring the separate banding of self contained units of accommodation within a hereditament give rise to injustice?*

Under current rules and with two exceptions, Council Tax would be payable on any annex that qualifies as a separate hereditament, subject to the normal rules (eg it might be exempt if unfurnished and empty for 6 months; or might be treated as a “second homes” if furnished),. The first exception would be where independent occupation of the annex (i.e. by non-relatives) was forbidden under the relevant planning permission: if empty the Annex would fall under Exemption Class “T” . Secondly, if it were occupied by someone who was a “dependent relative” then it would fall under Exemption Class “W”. Exemption “T” is justifiable on grounds of fairness; Exemption “W” is justified to avoid disincentivising families from caring for their dependent relatives.

Circumstances not covered by these exemptions include occupation by relatives who are not dependent; or where an annex is left empty but there is no planning requirement for it to be occupied as part of the occupation of the main dwelling.

We can well imagine cases where the rules might be resented by the liable person. For example a family might not want to live in the close proximity to a non-family member that occupation of their annex might entail. But we do not think that these circumstances should be thought of as “injustice”. Offering further tax breaks (i.e. over and above the existing two exemptions), would mean habitable annexes being left empty (or being occupied by people not paying council tax and thus make no contribution to the upkeep of local services). Given the shortage of housing, owners should be incentivised to ensure their annexes are occupied or sell their homes to others who would make most beneficial use of them.

## **Question 22**

*Should the Government seek to make changes to these rules, and if so, what changes?*

No, based on the information currently to hand.

## **New Homes Bonus and removal of exemptions**

Proposals around Exemption Classes “A” and “L” (questions 4 and 9 in the consultation) could have the effect of increasing the numbers of long –term empties as used in the calculation of New Homes Bonus, unfairly penalising local authorities. Currently, exempt homes don’t count towards New Homes Bonus either when are empty or when they are returned to use. If the current threshold of 6 months empty before attracting a penalty or reward under the New Homes Bonus were to be retained, many properties currently falling within Exemption Class “A” would become “long-term empties” overnight if the exemption were removed.

To address this, if the exemptions were removed, there should be a one-time-only adjustment made to the figures of long-term empties. So, for example, if at the time of the Council Tax Base return in Year 1, it is found (via a separate exercise) that there are 100 Class A and Class L properties that have been empty for over 6 months, then when it comes to Year 2, and assuming the exemptions have since been abolished, the 100 homes should be added to the long-term empty figures for Year 1. This will ensure that the difference between the Year 1 and Year 2 figures for long-term empties are not artificially inflated.

## **Accessibility of Council Tax legislation**

We think it is wrong in principle that there is no accessible version of the detailed legislation that governs the amounts of council tax that citizens are liable to pay. In particular, the applicable legislation in respect of the Exemption Classes derives from numerous Statutory Instruments that have been enacted since 1993 and is not available on the government’s legislation website in a consolidated, up-to-date form.

The summary versions of the Exemption Classes published as part of this consultation are not fit for purpose given the nature of the consultation.

The government should ensure that in future the relevant legislation is made available to citizens in an easily-accessible form.

## Annex A The Council Tax regime

Council Tax was introduced in 1993 after the political failure of the Poll Tax to gain acceptance as the replacement for the previous domestic rating system.

The domestic rating system assessed taxes based on the capital value of a home. The Poll Tax on the other hand was a local tax imposed on each adult resident taking no account of property values or income at all. Council Tax is best thought of as a hybrid regime that is a compromise between the two systems. Given that there is a 25% discount for single occupancy, and a further 25% discount for those rare cases where all the occupants are exempt from council tax, it can be thought of as a tax that is **50% occupancy-** or **per-capita-based** and **50% property based**, with a cap on the occupancy element of two eligible persons.

However, the property-based element is levied on the occupant in most cases, rather than on the owner of the property<sup>3</sup>. So it can be thought of as a tax on wealth for owner-occupiers but not for renters, except insofar as better-off people are likely to rent more valuable homes. This also applied to the domestic rating system as the rates were normally re-charged to occupants.

The **“normal” rate of Council Tax** can be considered from many points of view to be that applicable to a **fully-occupied Band D property**. The levels of tax applicable to Band D properties are used as the basis from which to calculate the rates of tax applicable to the other Bands: and there is a calculation of “Band-D equivalent” properties when assessing total projected council tax revenue as part of the annual Revenue Support Grant calculations or awards of New Homes Bonus.

Council Tax is somewhat progressive tax through the banding system, with people living in the most expensive homes paying 3 times as much tax as those living in the cheapest (18/9 of Band D for the top, Band H properties as against 6/9 of Band D for lowest, Band A properties). This increased amount is paid both on the property-based and occupation-based element of the tax. But this ratio of 3:1 between the tax applicable to the highest band and to the lowest band is much smaller than the ratio between the highest incomes and property values and the lowest incomes and property values. More expensive homes can be thought of as under-taxed and homes at the bottom end of the market can be thought of as over-taxed, particularly in areas of housing market failure where homes in Bands A and even B and C may be worth much less than elsewhere.

When considering the progressive nature of Council Tax, it is also to be borne in mind that income tax and VAT involve **rates** of tax, whereby the more that someone earns or spends the more tax they pay. So someone on a 40p rate of tax earning £80,000 p.a. will be paying very many times the amount of tax paid by someone earning £20,000 who is on the 20p rate of tax. Council Tax by contrast is an absolute amount.

Notionally, Council Tax pays for “local services” and is set locally.. But very significant amounts of central government grant are required to cover the full cost of local services, which include such major expenditure items as education and social services, and to address the wide disparity in prosperity between different areas.

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<sup>3</sup> The main exception is Houses in Multiple Occupation where the owner rather than occupant is liable.

## Annex B Specific issues with Exemption “F”

No one would begrudge a tax holiday to those who have recently experienced a bereavement, as currently granted by exemption “F” of the Council Tax regime. Unfortunately, there are many reports from our members and also cropping up in the news of cases where this tax concession has been abused by people failing to obtain probate and thus prolonging the tax holiday for many years for no good reason and to the cost of the local community, both financial and in other ways. These properties are often amongst the most troublesome empties in any given area.

### Case 1 – Southend

According to this news story this Southend home has been empty since 1995 pending probate

[http://www.echo-news.co.uk/news/8392619.Homes\\_devalued\\_claim\\_by\\_blot\\_on\\_road/](http://www.echo-news.co.uk/news/8392619.Homes_devalued_claim_by_blot_on_road/)

### Case 2 – near London

The issue of long-term properties that are stuck in the probate process is a big issue for us here at xxxxxx. We have a number of these that we are trying to bring back into use.

One of our properties has been empty for 12 years - stuck with an owner who refuses to settle his Aunt's estate. The property is large - 5 beds with huge grounds and valued earlier in 2011 at £650,000. So far it has cost xxx District Council roughly £30,000 in unpaid (exempt) council tax bills. See photos.

...I know that we can still use other enforcement tools, but **the council tax situation makes it much easier for executors to hide from any responsibility**



## Case 3 From the South of England

I have one case where the Probate Solicitor confirms an only mature child will not sign documents to complete Probate and inherit her family home.

- Case running since 05.10.2004.
- Solicitor confirms lady is literate with own home/children and Will straightforward, no complexity. Grant Letter of Administration sent several times by recorded delivery and receipt tracking records confirm signed by lady. Solicitor has sought by letter and telephone reason why she will not sign. No reason given.
- Support. I have written and spoken with the lady on numerous occasions to give variety of options and support to assist her to achieve the preferred choice for the property.
  - Provided access to auction discount with several auction companies.
  - Access to Grants for eligible works (if found necessary on internal inspection).
    - Option to place property in Private Sector Leasing Scheme (guaranteed rent and no fees/maintenance bills)
    - Accept direct tenant nomination for 5 years.
  - Landlord development and support to self-manage a tenancy.
  - Landlord Accreditation.
  - Discounted membership to National Landlords' Association.
  - List of local letting and estate agents.
  - Marketing of rental/holiday let – advertising options with local newspaper/agents/tourism website.
  - Council Tax advice for second home and holiday lets.
  - Negotiated with her solicitor to provide interim loan to enable death duty payments, should completion on sale of property fall after exempt period. Personal finance may be limited.
  - Informed of numerous neighbour complaints - property vulnerable to squatters and anti social behaviour.
  - Informed of Parish Councillor receiving complaints regarding condition of property and grounds. Environmental Health found no criteria for enforcement. Overgrown garden.

Extensive support has been offered with tact at different points in time.

## Cases 3 and 4 (London)



(Left-hand picture) 3 bed-roomed terraced property - has been empty for close to 4 years and probate not yet confirmed

(Right-hand picture) 3 bed-roomed property empty for nearly 10 years following death of original owner. Squatters subsequently took occupation, and reported to have stolen identity of the previous owner. Have now sold the property on for £100,000. Being investigated by xxxx Police Fraud Squad for identity theft.

*29<sup>th</sup> December 2011*

## Version history

(The Empty Homes Network is a democratic organisation that seeks to operate in as open and transparent a way as reasonably possible. All Empty Homes Network consultation responses are presented in draft form for our members to comment on to ensure that they reflect as closely as possible the views and experiences of our members. Where appropriate votes are taken by the Executive to resolve issues where diverging views are held).

Version 1 19<sup>th</sup> December 2011

Version 2:27<sup>th</sup> December 2011

- added section about interaction of exemption classes and New Homes Bonus and laid out suggested methodology for addressing this in respect of Exemptions A and L.
- Raised issue of over-taxation of low-value empties in areas of market failure (relevant also to empty homes premium)
- Added section on Questions 21 and 22 regarding treatment of Annexes
- Added a section pointing out the difficulties in accessing Council Tax legislation, particularly with regard to Exemption Classes
- (Note: for EHN Full Members, the consolidated legislation is available at <http://www.ehnetwork.org.uk/library-item/council-tax-exemptions-consolidated-legislation-si-1992558-ehn-practitioner-guide> . **You will need to be logged in to access this**).

Version 3 (Final) 29<sup>th</sup> December 2011

- Further discussion of benefits of replacing Exemption Class "C" with discount
- Added a recommendation that there should be a minimum period of 3 months during which a discount (minimum 50%) is available in place of Exemption Class "C"

### ***For further information or clarification***

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