

Introduction

The Empty Homes Premium

We welcome the discretion offered to local authorities to set council tax rates that can act as a disincentive against leaving homes empty long-term.

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.

General comments

The significance of changes to the CTB

The role of the Council Tax Base in the calculation of council tax and in government grant to local authorities. Including New Homes Bonus, is difficult for lay-people to understand and particularly so at a time of change in the relationship between one and the other. It would have been useful if the consultation had spelt out the practical implications of the changes in more detail and had confirmed assurances that (as we understand from experts at the Local Government Association) have been made elsewhere.

Our assumptions

We note that para 2.8 of the consultation document states that *“The changes proposed in this document relate only to changes to the council tax base for the purposes of setting council tax”*

Taking this into consideration, our consultation response assumes that the proposed changes to the Council Tax Base:

- would not, therefore, affect the calculation of New Homes Bonus (meaning that a property to which a 50% premium applies would *not* count as 1.5 of its Band D equivalents when quantifying the number of long-term empty properties for NHB calculation purposes)

- would not affect the amount of formula grant to be received by a local authority (meaning that the local authority would *not* receive less grant from central government on the basis that it was collecting more locally via the Empty Homes Premium).

Responses

Q.1 Do you agree that this is the most appropriate way to reflect properties liable to the premium in the council tax base?

We are not sufficiently clear about the implications of this particular approach and what the alternatives are. This might depend on our answer to Question 3.

Q.2 Do you agree that the proposals in this consultation document are the most appropriate way of meeting the policy intention to allow authorities to keep the additional revenue raised by the premium and use it in the way they best see fit?

We are not sufficiently clear about the implications of this particular approach and what the alternatives are. This might depend on our answer to Question 3.

Q.3 Do you agree with this treatment of the council tax base in relation to major precepting authorities and local precepting authorities?

No

We think the tax collected should be retained by those authorities most affected by long term empty homes, namely, the second tier authority in shire counties, the police authority and the fire and rescue authority.

The justification for the empty homes premium lies in the prevalence of acute housing problems that are exacerbated by the number of empty homes. Thus the housing authority and its empty homes team should rightly hold a privileged position in relation to the treatment of long-term empty homes. Moreover, responsibility for addressing most of the problems for the wider community associated with empty homes will fall mainly on Environmental Health departments (nuisance etc), Building Control (dangerous structures etc), Planning (enforcement around visual amenity), Council Tax (additional costs of collection associated with absentee or disengaged owners) : these are all functions of the second tier authority.

By contrast, top tier authorities in two-tier areas may well see their costs reduced where there is a long-term empty home: for example the home will not be producing any demand for Social Services or Education; and there will be minimal road traffic associated with the home even if there is a highway.

Anecdote and common sense suggest that police and fire authorities too are likely to be affected by problems associated with empty homes. We would suggest that these two authorities receive a pro rata share of the empty homes premium based on the normal rate of precept and the billing authority retains the rest.

22nd October 2012

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 08th October 2012

Version 1a 14th October 2012

- Corrected date at top of document to October 2012
- Added first-page footer

Final version 22nd October 2012

- Corrected two further grammatical or typographical errors.
- No changes were made to the substance of the response.

For further information or clarification

Contact:

David Gibbens, Policy Lead
Empty Homes Network
PO Box 703, Exeter, EX1 9PX
Email: david@ehnetwork.org.uk
Tel.: 0844 736 5 736
Web: www.ehnetwork.org.uk