

Enfield Council

Appendix C

Cabinet Report – 23rd January 2019

Council tax long term empty dwellings

Council Tax long term empty dwellings

Summary

The Local Government Finance Act 2012 introduced discretion for billing authorities to vary some existing council tax discounts and exemptions from the 1st April 2013.

Empty Homes Premium

The Act introduced a new discretionary power to levy an empty homes premium of up to 50% on a dwelling that is unoccupied and substantially unfurnished for a continuous period of at least two years.

Enfield agreed to the 50% levy help encourage property owners to ensure housing stock is effectively utilized. The levy, used in conjunction with the Council's Empty Homes Policy, discourages 2nd home ownership and owners to bring empty dwellings into use quickly. The increase fell on council taxpayers owning 2nd homes, empty dwellings, and mortgages in possession. Given the chronic shortage of available housing in the borough the overall impact of the change was positive as it helped those disadvantaged by the fact that demand for housing is greater than supply and the cost of housing homeless families in temporary accommodation is currently borne by the council tax payer at large. On the 1st November 2018 the Government amended Section 11B of LGFA 1992 (higher amount for long-term empty dwellings: England) to allow discretion to increase the levy to:

- For the financial year beginning on 1 April 2019 the levy to increase from 50% to 100%
- For the financial year beginning on 1 April 2020 the levy for dwellings empty for more than 5 years 100% to 200%
- For financial years beginning on or after 1 April 2021 the levy for dwellings empty for more than 10 years will increase from 200% to 300%

The estimated gross increase in income is £221,615:

Band	No of Accounts	No of LBE Accounts	No of non LBE A/cs	Enfield Council Tax Bands	50% Levy	Total Additional 50% levy	Additional 50% levy - council owned	Additional 50% levy - non council owned
A	72	68	4	£ 840.78	£ 420.39	£ 30,268.08	£ 28,586.52	£ 1,681.56
B	75	57	18	£ 980.91	£ 490.46	£ 36,784.13	£ 27,955.94	£ 8,828.19
C	72	32	40	£ 1,121.04	£ 560.52	£ 40,357.44	£ 17,936.64	£ 22,420.80
D	60	18	42	£ 1,261.17	£ 630.59	£ 37,835.10	£ 11,350.53	£ 26,484.57
E	45	2	43	£ 1,541.43	£ 770.72	£ 34,682.18	£ 1,541.43	£ 33,140.75
F	16	0	16	£ 1,821.69	£ 910.85	£ 14,573.52	£ -	£ 14,573.52
G	15	0	15	£ 2,101.95	£ 1,050.98	£ 15,764.63	£ -	£ 15,764.63
H	9	0	9	£ 2,522.34	£ 1,261.17	£ 11,350.53	£ -	£ 11,350.53
	364	177	187			£ 221,615.60	£ 87,371.06	£ 134,244.54

Recommendation

In accordance with The Council Tax (Empty Dwellings) Act 2018 members are recommended to raise the existing empty homes premium from the 1st April 2019 by an additional 50% to 100%.