

REPORT OF CABINET No. 2, 2019/20

FULL COUNCIL 24 February 2020

Cabinet Member Finance and Strategic Regeneration

INTRODUCTION

This report proposes an increase to the Council Tax premium currently charged on long-term empty dwellings. It is proposed that from 1 April 2020 the premium be increased from 100% to 200% on properties empty for more than 5 years, and that from 1 April 2021 there is a further increase from 200% to 300% for properties empty for more than 10 years.

SUMMARY OF CONSIDERATIONS

We noted that the Administration's manifesto was clear that it was committed to redistributing the burden of Council Tax. This included exploring and evaluating the scope of the existing discretionary reliefs the Council provided in the borough to ensure that it was targeting support at those residents in particular need.

We noted that, since 2013, Councils had been given the discretionary power to charge a premium on dwellings deemed to be 'long-term empty', i.e. properties which have been unoccupied and substantially unfurnished for at least two years. After implementing the last permissible change from 1 April 2019, the amount of Council Tax premium for such properties is currently 100%, so that the payer was liable to pay a total 200% Council Tax. The legislation again had recently been changed to give Councils the power to increase the premium on 1 April 2020 from 100% to 200% on properties empty for more than 5 years with a further increase on 1 April 2021 from 200% to 300% for properties empty for more than 10 years.

We were informed that some of the Council's neighbouring boroughs, such as LB Enfield, LB Islington and LB Barnet currently charged the maximum existing premium of 100% (as did this Council) and were also considering increasing this following the change in legislation. Therefore, the proposal was likely to mean Haringey is aligned with its neighbouring boroughs. In this financial context, we considered it was correct to increase the premium payable on long-term empty properties.

We noted the proposal would create additional income for the Council and contribute to the delivery of vital services and support for the most vulnerable residents.

WE RECOMMEND TO FULL COUNCIL:

1. Increasing the premium charged on long-term empty dwellings, empty for more than 5 years, from 100% to 200% This would take effect from from 1 April 2020.
2. That from 1 April 2021 there is a further increase from 200% to 300% for properties empty for more than 10 years.