

REPORT OF Cabinet 03/2023/24

FULL COUNCIL 04 March 2024

Chair: Cllr Peray Ahmet- Leader of the Council
Cabinet Member for Finance and Local Investment– Cllr Dana Carlin

1. INTRODUCTION

This report arises from the Cabinet meeting held on the 16th of January 2024 and asks Full Council to consider the following:

- Determination of the Council Tax premium in respect of properties occupied periodically.
- Council Tax Premium for Long-Term Empty Dwellings.

2. Determination of the Council Tax premium in respect of properties occupied periodically.

- 2.1 The attached report at appendix 1, relates to the proposed increase in Council Tax charge for dwellings which are substantially furnished and have no resident (which are colloquially known as “second homes”). It is proposed that a 100% premium should apply in such circumstances.

We discussed the following:

- In relation to the threshold for assessing if a second home, this did not have to be a year and could be a lower period where there were reasons to understand that the properties were being let or the properties were left open for periods of time without anybody living in them. This proposal only came into effect in the next year and would provide some time to acquire the required market information in the course of this year.
- For properties that were between lets and whether these would be liable for the 100% extra just for the period they were vacant, this policy would not affect a property where there was nobody living there. Also, if it was not furnished it would be dealt with in the empty dwellings policy also on the agenda.
- The Director for Finance clarified that the Council were expecting £900k income and that additional income was not hypothecated.

3. WE RECOMMEND

3.1 For any dwelling within the area of the Council if, on any day, there is no resident of that dwelling and it is substantially furnished, the following shall apply:

- i. the discount in s11(2)(a) of the Local Government and Finance Act 1992 (LGFA) shall not apply to that dwelling; and
- ii. the amount of council tax payable in respect of that dwelling and that day shall be increased by 100 percent.

4. Council Tax Premium for Long-Term Empty Dwellings

4.1.1 The attached report, at appendix 2, sets out the proposed reduction in time that a property can remain empty before the premium on Council Tax is charged on long-term empty dwellings.

4.1.2 This follows changes to s11B of Local Government Finance Act 1992 as the definition of long-term empty dwelling has now been amended by the Levelling-up and Regeneration Act 2023.

4.1.3 It is proposed that this change will take effect from 1st April 2024.

We discussed the following:

- This was one of the policies and powers that the Council was using to bring empty homes back into use. Where properties were empty for a considerable period of time, there was legal intervention undertaken to take possession of those properties. This was more of a complicated process but still taken forward, in line with the Council commitment to bring as much housing into use for families as possible.
- It was estimated that in London there were about 34,000 long term empty dwellings, and in Haringey probably more than 1000. The proposed new policy reduced the timescale from two years empty dwelling to one-year empty dwelling and would enable more properties to fall into this category, meaning more ability to take action.
- The Council Tax team were developing a mechanism so that residents can report empty properties through the website and officers would work with communications team on publicity to make sure people are aware of that.

WE RECOMMEND

- 5.1 That with effect from 1 April 2024, that a premium shall be applied to long term empty dwellings as defined in s11B(8) of Local Government Finance Act (LGFA) 1992 (as amended from time to time), and that the amount of council tax payable in respect of that dwelling and that day shall be increased by 100 percent.
- 5.2 That, if on any day a dwelling is a long-term empty dwelling, the discount in s11(2)(a) of LGFA shall not apply to that dwelling.
- 5.3 To note that until 1 April 2024, the decision made by Full Council in January 2019 in relation to the premium payable in respect of long-term empty dwellings, shall continue in full force and effect.
- 5.4 To note that the premium shall not apply to dwellings that are exempt under Regulations 9 and 10 of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003.

Appendices

Appendix 1 Cabinet report 16 January 2024 - Determination of the Council Tax premium in respect of properties occupied periodically

Appendix 2 - Cabinet report 16 January 2024 - Council Tax Premium for Long-Term Empty Dwellings