

Bolsover District Council

Council

4th December 2024

LONG-TERM EMPTY PROPERTIES PREMIUM

Report of the Portfolio Holder for Resources

Classification	This report is public.
Report By	Neil Oxby Principal Planning Policy Officer

PURPOSE / SUMMARY OF REPORT

- To consider the introduction of charging a premium on top of the standard Council Tax charge in relation to long-term empty properties, to act as an incentive to bring empty homes back into use and occupation.

REPORT DETAILS

1. Background

- 1.1 Members will be aware that there is a shortage of housing in the UK. As well as building new homes, another way to help solve this shortage is by trying to bring properties that are empty, for whatever reason, back into use. To give property owners an incentive not to leave their property unused, we are able to charge extra council tax on the dwelling.
- 1.2 Legislation gives district and unitary Councils discretionary powers to charge a Council Tax premium above the standard rate of Council Tax on properties that have been “unoccupied and substantially unfurnished” once a specified period has expired. This is typically known as the Empty Homes Premium. The premium varies according to how long the property has been unoccupied.
- 1.3 The power to impose an Empty Homes Premium becomes available after the property has been ‘unoccupied and substantially unfurnished’ for a specified amount of time. There is no statutory definition of the term ‘unoccupied and substantially unfurnished,’ it is a matter for the billing authority to determine. From the perspective of applying a premium on top of the normal Council Tax band charge, a dwelling is a “long-term empty dwelling” if it has been unoccupied and substantially unfurnished’ for a period of one year.

- 1.4 The Empty Homes Premium is based on the normal council tax band of the property and the band itself is not affected by the premium. Table 1 sets out the maximum Empty Homes Premium that can apply under legislation:

Table 1: Long Term Empty Homes – Maximum Premium that may be charged.

Requirement	Property must be empty for	Maximum charge as a percentage of standard council tax bill	Reset Period
Unoccupied and substantially unfurnished	1 year but less than 5 years	200% (Standard council tax charge plus 100%)	6 weeks
Unoccupied and substantially unfurnished	5 years but less than 10 years	300% (Standard council tax charge plus 200%)	6 weeks
Unoccupied and substantially unfurnished	For at least 10 years,	400% (Standard council tax charge plus 300%)	6 weeks

Source: Local Government Finance Act 1992, Section 11B.

Note – Reset period, if the property becomes unoccupied or unfurnished again before the ‘reset period has elapsed, the premium will apply again immediately.

- 1.5 The premium applies to the property rather than the circumstances of the Council taxpayer. Consequently, a change of ownership will not affect the premium and the 12-month period does not start again with any change in ownership.
- 1.6 There are a number of exemptions from the Empty Homes Premium. Under legislation the premium cannot be applied to homes that are empty due to the occupant living in armed forces accommodation for job related purposes, or to annexes being used as part of a main property. There are also a series of exemptions from Council Tax by virtue of the Council Tax (Exempt Dwellings) Order 1992 (as amended) – see **appendix 1** to this report.
- 1.7 Following a consultation by the government, the Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 came into force on 1st November 2024. The Regulations include the following additional exemptions:
- For properties undergoing probate, no premiums are chargeable for a period of 12 months after probate, or letter of administration is granted.
 - Properties being actively marketed for sale or let. This exception applies for the prescribed period from the date that active marketing commenced, or until the property has been sold or rented, whichever is the sooner.
 - Empty properties undergoing major repairs are exempt from the premium for the prescribed period once the exception has been applied or when the work has been completed, whichever is the sooner.

2. Details of Proposal or Information

Empty Homes in Bolsover District

- 2.1 There is a substantial emphasis on tackling the “housing crisis” both nationally and locally. The Written Ministerial Statement, “Building the Homes we Need” of 30th July 2024, expresses the intention to raise housing targets and facilitate housing delivery. It stated that “We are in the middle of the most acute housing crisis in living memory. Home ownership is out of reach for too many; the shortage of houses drives high rents; and too many are left without access to a safe and secure home.” The Council Plan, Bolsover District - The Future 2024-2028, highlights that “Ambitions” for the Plan include that “This plan responds to issues like the housing crisis...”. A priority for the Plan is “Housing” including “enabling housing growth by increasing the supply, quality, and range of housing to meet the needs of the growing population.” One way of contributing towards these national and local housing priorities is for the Council to take steps to encourage and incentivise owners of long-term empty properties to bring their empty homes back into use.
- 2.2 The Council’s draft Housing Strategy 2024-2029 places an emphasis on this aspect identifying that:
- “Long term empty properties are a wasted resource and bringing them back into use has a number of benefits for our residents and businesses including:
- Contributing towards meeting the needs of local people for a home.
 - Improving housing conditions.
 - Having a positive impact on the local environment and neighbourhood and potentially reduces crime and anti-social behaviour.
 - Providing a better living environment and potentially improved property values.”
- 2.3 In 2023, the Government identified that 290 out of 296 authorities reported they were charging the premium on some of their empty dwellings¹. Therefore, Bolsover District Council is one of a very limited number of Councils in England which does not currently charge the premium.
- 2.4 Table 2 identifies the number of long-term empty homes (LTEH) for Bolsover District and neighbouring authorities in 2022 and 2023. It identifies that 1 in 48 homes in Bolsover was a long-term empty home / second home. Based on the Revenues department Council Tax records, there were 829 long-term empty properties in Bolsover District at 31st March 2024, excluding those properties where an exemption applies in respect of the Council Tax charge. The long-term empty figure included properties in the ownership of the Council. These largely reflect two sites, Briar Close, Shirebrook and Woburn Close, Blackwell, where the Council plans to redevelop the sites once all the existing houses are vacant. Other Council properties are being upgraded under the Independent Living Scheme and, thereafter, will be let.

¹ [Local authority Council Taxbase in England: 2023](#) Updated 28 February 2024

Table 2: Long Term Empty Homes (LTEH) Bolsover DC and neighbouring councils

	LTEH 2022	LTEH 2023	Second Homes 2022	Second Homes 2023	Private/Social Housing Stock 2023	1 in every 'x' homes are LTEH/Second Homes
Bolsover	637	716	86	81	38,323	48
Amber Valley	778	833	257	319	60,181	52
Chesterfield	531	676	163	182	50,891	59
North East Derbyshire	540	626	180	168	48,293	61
Ashfield	428	459	226	278	57,509	78
Bassetlaw	683	882	213	228	56,398	51
Mansfield	517	623	67	64	51,105	74
Rotherham	1,081	1,179	433	445	121,075	75

Source: [Action on Empty Homes](#) From Government's official data on long-term empty homes

2.5 As a Council we are committed to facilitating our housing service in order to meet current pressures and improve outcomes for citizens. To achieve this, we need to make the best use of all available housing stock, including empty properties. As there is a relatively high number of properties that remain empty in the Bolsover District there is a need to tackle this issue.

2.6 The intention of the Empty Homes Premium is to:

- reduce the number of empty homes in the District by incentivising owners to take positive steps to bring their vacant properties back into productive use;
- to increase the supply of available housing,
- to reduce the potential impact of anti-social behaviour associated with some empty properties,
- potentially, generate modest additional revenue that can be reinvested into local services and infrastructure, further supporting community development and housing accessibility.

Implications of introducing an Empty Homes Premium

2.7 In general terms, there are benefits to introducing an Empty Homes Premium as part of the Council's efforts to bring long-term empty properties back into use and so contribute towards providing an additional supply of homes for local people. However, the introduction of the premium remains a discretionary power for a Council so that it is reflective of local circumstances.

2.8 As a result, the following general considerations need to be taken into account when considering whether to bring in the premium:

- Impact on Council owned empty properties – as a property owner, the Council would be subject to the Premium on any long-term empty properties that it owns. The Council seeks to have no long-term empty properties within its portfolio but has recently had a number of properties awaiting demolition as part of housing renewal proposals as discussed above. Alongside consideration of bringing in an Empty Homes Premium, work has progressed on these housing renewal proposals, and this has significantly reduced the Council's number of empty properties and thus the Council's exposure to any introduced premium.
- Increased costs of council tax recovery – properties that have been empty for a long term by their nature are likely to be more difficult to recover Council Tax from. As a result, there are likely to be implications in relation to officer time, resources and potentially performance levels.
- Fairness of implementation – the Empty Homes Premium would need to be applied equally to all empty property owners, with no additional local exemptions, to avoid claims of unfairness or targeting certain types of owners. This would also ensure a more straightforward introduction and implementation.
- Impact of no change – there are existing costs to the Council as the Environmental Health team and other officers will have intervened to deal with pests, dilapidation, overgrown gardens, damage to neighbouring properties, anti-social behaviour and other issues associated with empty homes. Work to reduce the number of empty properties may reduce these existing costs.
- Future Income – if empty properties are brought back into use, in the long-term, income from the Empty Homes Premium will fall and so the Premium should not be considered as an ongoing income stream. However, the introduction of the Premium should provide some financial means for some additional resources that prove necessary, bearing in mind the Council's share of the Council Tax is roughly 16% of the total charge.
- Period of notice to give owners of empty properties – Section 11 of the Local Government Finance Act 1992 requires that a billing authority which makes a determination under this section should bring the requirement in from the start of a financial year and shall publish a notice of it in at least one newspaper circulating in its area and do so before the end of the period of 21 days beginning with the date of the determination.
- Owner behaviour – Owners may furnish empty properties to try to avoid paying the Empty Homes Premium².

² Please note these proposals do not take into account the possible introduction of a Second Homes Premium, which would mean that unoccupied but furnished properties would attract a maximum 100% premium on the standard council tax charge.

- 2.9 Given the benefits and implications outlined in this report, it is considered that there is significant merit to introducing an Empty Homes Premium at the maximum level permitted (as outlined in Table 1) given this would maximise the financial incentive for owners to bring empty properties back into beneficial use.
- 2.10 However, there would be a need for a period of time to adapt the Council's systems to introduce the Empty Homes Premium. As has already been stressed, the primary purpose of the premium is to encourage empty homes back into use. Consequently, it would be equitable for the Council to promote the planned introduction of the premium and give owners of empty properties sufficient time to take necessary steps to bring their property back into beneficial use. Under these circumstances, and as the premium can only be introduced at the beginning of a financial year, it is proposed that the Empty Homes Premium should be introduced from 1st April 2026.
- 2.11 A number of Councils have undertaken empty homes premium consultations before introducing the premium, but this is not a legal requirement. The lengthy period prior to the proposed introduction on 1st April 2026, is considered to provide sufficient notice to ensure potentially affected parties are made aware of the introduction of the premium and importantly to take positive steps to bring their vacant property back into beneficial use prior to them being affected. In addition, it is proposed if this report is approved, to provide literature to all Council taxpayers with the annual Council Tax bill for 2025/26 in March 2025, advising of this new Premium.

Equalities Implications

- 2.12 The Council has a duty under the Equality Act 2010 to consider how its policies or decisions affect people who are protected under the Act. In accordance with good corporate practice, an Equalities Impact Assessment has been undertaken in relation to the proposed introduction of the Council Tax Premium.
- 2.13 The recommendation to introduce the Premium is identified across all protected characteristics as having a neutral impact in relation to property owners as all property owners will be assessed by the same criteria standard for empty homes. For those actively seeking accommodation, either through buying or renting, there are likely to be positive impacts from the proposed changes as the Premium is intended to encourage property owners to take steps to make their empty homes available so increasing housing supply and helping those seeking housing.

3. Reasons for Recommendation

- 3.1 The Council is committed to facilitating our housing service in order to meet current pressures and improve outcomes for citizens. Making the best use of all of the District's available housing stock, including tackling relatively high numbers of empty properties through the introduction of an Empty Homes Premium at the maximum level permitted to increase the incentive for owners of empty properties to take positive steps to bring their properties back into beneficial use, will aid this commitment.

3.2 The introduction of the Council Tax Empty Homes Premium from the 1st of April 2026 will provide sufficient time for the Council to prepare for the introduction of the premium and to promote its introduction, and so give the owners of properties a significant period of time to take steps to bring their property back into use.

4 Alternative Options and Reasons for Rejection

4.1 One alternative option is to not introduce the Empty Homes Premium. However, this would not support the Council’s priorities as set out in Bolsover District - The Future 2024-2028 and the Council’s Draft Housing Strategy and thus this option has been rejected.

4.2 A second option would be to introduce the Empty Homes Premium at a lower level or at a longer lead in time. However, this would lessen the incentives for owners of empty properties to take positive steps to bring their empty properties back into beneficial use whilst accruing the same administrative burden on the Council. As a result, this option has also been rejected.

RECOMMENDATION(S)

That the Council:

- a) Introduces the Empty Homes Premium from 1st April 2026.
- b) Introduces the maximum Empty Homes Premium permitted under the legislation. That is as follows:
 - Where the property has been “unoccupied and substantially unfurnished” for 1 year but less than 5 years, a 100% premium Council Tax rate will apply subject to the statutory exemptions. (This means that the owner would be liable to pay twice the normal rate, 200% as a percentage of the standard bill).
 - Where the property has been “unoccupied and substantially unfurnished” for 5 years but less than 10 years, a 200% premium Council Tax rate will apply subject to the statutory exemptions. (This means that the owner would be liable to pay three times the normal rate, 300% as a percentage of the standard bill).
 - Where the property has been “unoccupied and substantially unfurnished” for at least 10 years, a 300% premium Council Tax rate will apply subject to the statutory exemptions. (This means that the owner would be liable to pay four times the normal rate, 400% as a percentage of the standard bill).

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

<p><u>IMPLICATIONS:</u></p> <p><u>Finance and Risk:</u> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p><u>Details:</u> As billing authority, we collect Council Tax for the Bolsover District on behalf of precepting authorities who include: the County Council, Police and Fire authorities,</p>
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and Parish and Town Councils. The income sits initially in the Council Tax Collection Fund. By applying the Council Tax premiums, it will increase the total income to the Collection Fund, which will be shared out amongst all of the preceptors.

There is a potential risk that some of these homeowners of long-term empty properties may have issues financially in paying the additional amounts of Council Tax. This could provide an opportunity to engage with owners who will be affected from April 2026 regarding how the property could be brought back into use. However, the amount of income generated from this proposal may be less than anticipated for the reasons outlined in the report.

On behalf of the Section 151 Officer

Legal (including Data Protection): **Yes** **No**

Details: Under section 11A, 11B, and 11D of the Local Government Finance Act 1992 (as amended) Councils can apply the long-term empty homes premium on dwellings unoccupied and substantially unfurnished. The legislation enables the Council, at its discretion, to charge a higher rate of Council Tax on properties that have been “unoccupied and substantially unfurnished” once a specified period has expired. The empty-home premium percentage varies according to how long the property has been unoccupied, the Local Government Finance Act 1992 section 11B sets out the details on this aspect.

On behalf of the Solicitor to the Council

Environment: **Yes** **No**

Please identify (if applicable) how this proposal / report will help the Authority meet its carbon neutral target or enhance the environment.

Details: Empty Properties are a form of wasted resource in the sense that they do not contribute to meeting the needs of the District’s population and create demand for additional new build properties. They also often attract anti-social and environmental health complaints and negatively affect the amenity of their local neighbourhoods. Reducing the number of empty properties in the District would be an environmental benefit.

Staffing: **Yes** **No**

Details: There are no human resources implications arising from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input checked="" type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	<p>Yes</p>
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Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	Yes
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District Wards Significantly Affected	All
Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Executive <input type="checkbox"/> SLT <input checked="" type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details: Portfolio Holder for Resources

Links to Council Ambition: Customers, Economy, and Environment.
<ul style="list-style-type: none"> • Enabling housing growth; • Developing attractive neighbourhoods; • Increasing customer satisfaction with our services.

DOCUMENT INFORMATION	
Appendix No	Title
1	List of exemptions from Council Tax
Background Papers	
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i>	

Appendix 1 - Dwellings exempt from Council Tax in England by virtue of the Council Tax (Exempt Dwellings) Order 1992 (as amended)

Class Description

- B Unoccupied dwellings owned by a charity (up to 6 months).
- D Unoccupied dwelling, due to a person being in prison.
- E An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
- F Dwellings left empty by deceased persons (6 months from date of probate).
- G An unoccupied dwelling where the occupation is prohibited by law.
- H Unoccupied dwelling which is held for the purpose of being available for a Minister of Religion.
- I An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved to receive personal care.
- J An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person.
- K An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
- L An unoccupied dwelling which has been taken into possession by a mortgage lender.
- M A hall of residence provided predominantly for the accommodation of students.
- N A dwelling occupied only by students, school, or college leavers or by certain spouses and dependants of students (including relevant Ukrainian persons).
- O Armed forces' accommodation.
- P A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
- Q Unoccupied dwelling left empty by a bankrupt person.
- R Unoccupied caravan pitch or boat mooring.
- S Dwelling occupied only by persons under 18 and relevant Ukrainian persons.
- T Unoccupied annexe to an occupied dwelling, which may not be let separately.
- U Dwelling occupied only by people who are severely mentally impaired or those with students or relevant Ukrainian persons.

- V Main residence of a person with diplomatic privilege or immunity.
- W An occupied annexe to an occupied dwelling, where the annexe is occupied by a dependent relative.