

London Borough of Bromley

Empty Homes Premium – Consultation Report

23rd January 2023

1. Report Summary

In 2013 the government introduced legislation that allowed Councils to charge extra Council Tax for properties that have been empty and substantially unfurnished for two or more years. This is known as a long term empty premium.

Initially the extra charge was 50% (the bill would therefore be for 150% of the normal Council Tax for the property). With effect from 1st April 2019 the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, brought in more extensive powers within England. The amendment provided for maximum additional rates of:

- 100% extra (for properties empty for 2-5 years)
- 200% extra (for properties empty for 5-10 years) [commencing in 2020]
- 300% extra (for properties empty for 10+ years) [commencing in 2021]

In other words, council tax-payers may be required to pay 200% of the standard bill after two years; 300% of the standard bill after five years; and 400% after ten years. It remains up to the billing authority to decide what rate of empty homes premium to impose, within these limits.

At present the Council charge a premium of 50% for properties empty for 2-5 years which is increased to 100% for properties which have been empty for longer than 5 years.

The proposal is to increase the charges to the maximum allowed as detailed above.

This report is to approve the proposed charges for the financial year commencing 1st April 2023 and all years thereafter unless there is a further change in legislation which would allow the Council to vary the charges from a future date. At which point a further consultation exercise would be required.

This reports sets out:

The background for the proposal to increase the Empty Homes Premium charges with effect from 1st April 2023 for the London Borough of Bromley

Details the proposed changes to the Empty Homes Premium charges for the London Borough of Bromley.

Details of the consultation exercise undertaken on the proposed changes to the Empty Homes Premium charges during the period from 23rd November 2022 until 4th January 2023. It should be noted that due to the impacts of the ongoing Royal Mail strikes it was agreed to accept postal responses up to 18th January 2023 so that those residents who were sent paper questionnaires were not inadvertently disadvantaged and had the opportunity to share their views.

2. Reason for consultation

Bromley Council is keen to explore ways of bringing more empty homes back into use. The consultation asked residents for their views on whether Council Tax charges should be increased for owners of long-term empty homes.

There are currently around 348 homes in Bromley which are liable for Council Tax and are recorded as having been empty for 2 years or longer. Long-term empty properties are a wasted resource. For their owners, they are not earning any income and may be depreciating in value due to deterioration. For the local community, these properties can be an eyesore and a nuisance as they often attract vandalism and fly-tipping and, if homes are neglected, the value of surrounding properties tends to be reduced as a result of the neighbourhood not being perceived as a good place to live.

In many areas where there is a high demand for housing, empty homes brought back into use could become an important source of homes for households who need them. This could be either affordable homes, such as social rented housing, or market housing, such as homes for private rent or sale.

It is felt that the increased premiums would encourage the owners of these long-term empty homes to bring the properties back into use for the benefit of their local communities.

3. Consultation

A public consultation exercise was undertaken for the increase to the Empty Homes Premium charges to take effect from 1st April 2023. This consultation took place On-line from 23rd November 2022 to 4th January 2023, whilst the postal consultation was extended until 18th January 2023 due to the delivery issues being encountered as a result of the strikes by Royal Mail workers.

The survey was available through a variety of channels:

- α. A link was available on the Bromley website
- β. A paper copy was issued to 1,000 households comprising of all those customers who currently pay the Empty Homes Premium (342), all customers who could become liable to pay the Empty Homes Premium (172) and a random selection of residents (486) who currently occupy homes in the Borough.
- χ. A paper flyer was also enclosed with all Council Tax Bills issued during the consultation, advising of the link on the website. This was issued to 2,067 residents.

In total there were 269 responses received. Of these 226 (84%) were received via the website with the remainder 43 (16%) being received by post.

The consultation exercise was based on one simple question to the Council Tax payers of the Borough, anyone that did not agree with the proposal was then allowed to share their reasons with a free text response. These responses have been captured in Appendix A at the end of this report.

4. Outcomes

Details of the full consultation question and analysis responses, both overall and broken down, are detailed below:

The question asked was as follows;

<p>Q1 The Council's recommendation is that the Empty Homes Premium be applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years?</p> <p style="text-align: right;">Yes No</p> <p>Do you agree with the above recommendation? <input type="checkbox"/> <input type="checkbox"/></p> <p>If you disagree please write your answer here:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>

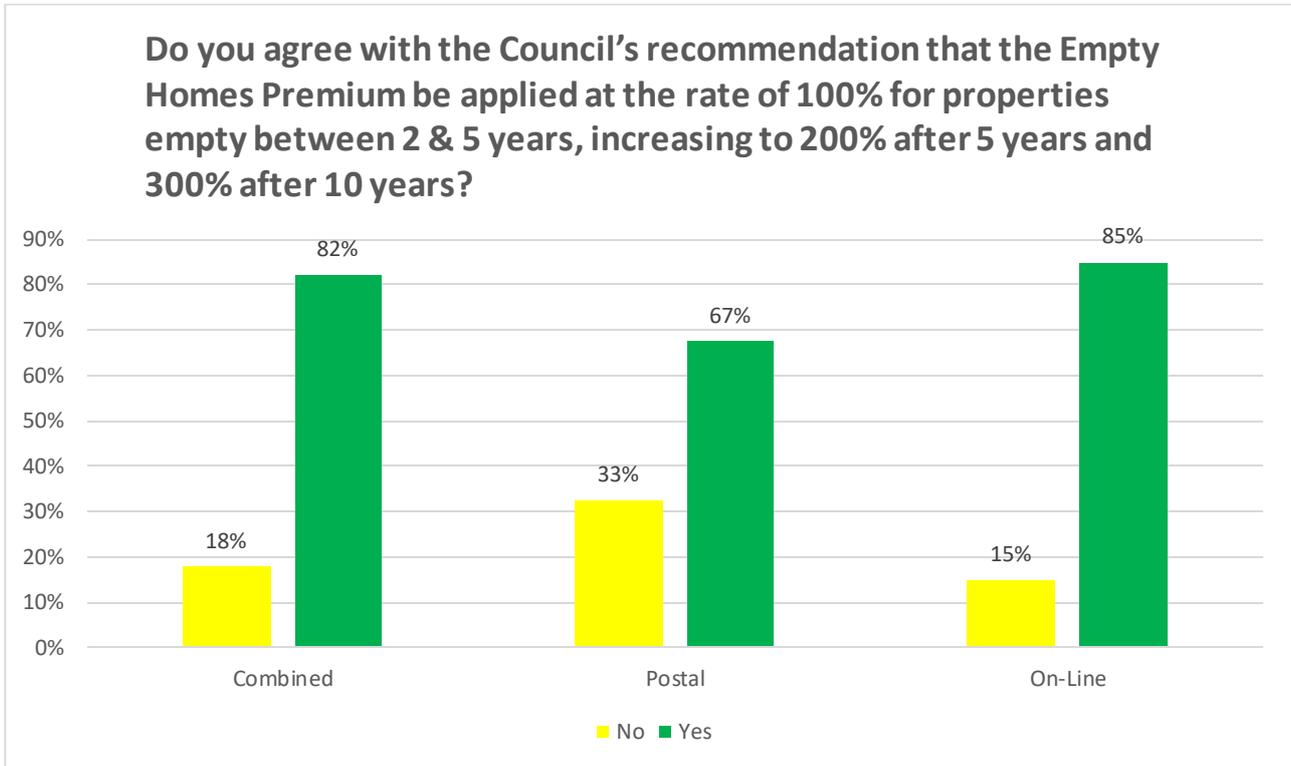
To summarise the main find was:

82% of the respondents agreed with the proposed increase to the Empty Homes Premium.

5. Detailed Outcomes.

Of those who responded the overall outcome was that 82% were in favour of Empty Homes Premium being applied at a rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years.

There was a higher approval rating from on-line recipients, 85%, whilst those returning postal forms approved at 67%, this is perhaps to be expected as all directly affected residents were included in the postal consultation.

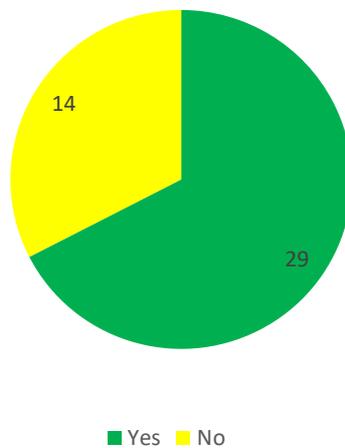


Analysis of Respondents by Survey Type.

Of the 43 postal responses received, 67% were in favour of the proposed increases. As the survey was anonymous it is not possible to establish the numbers of directly affected empty property owners who responded but 514 such home owners were included in the survey with only 14 responses (3%) disagreeing with the Council's proposals.

POSTAL RESPONDENTS:

Do you agree with the Council's recommendation that the Empty Homes Premium be applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years?

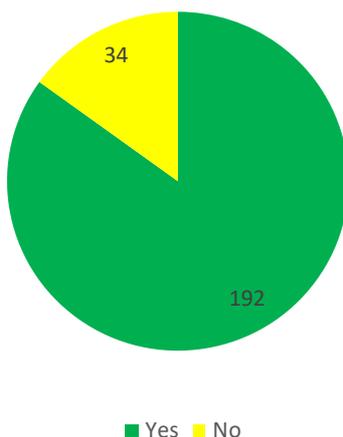


There were differing reasons given for not agreeing with the proposal but among the foremost were probate issues and difficulty selling properties in the current financial environment.

Of the 226 on-line responses received, 85% were in favour of the proposed increases. As the survey was anonymous it is not possible to establish the numbers of directly affected empty property owners who responded.

ON-LINE RESPONDENTS:

Do you agree with the Council’s recommendation that the Empty Homes Premium be applied at the rate of 100% for properties empty between 2 & 5 years, increasing to 200% after 5 years and 300% after 10 years?



Among the on-line respondents there was a much wider range of views given for not agreeing with the proposal but again probate issues and difficulty selling properties in the current financial environment were more frequent.

6. Timetable for Implementation

The new charges will commence on 1st April 2023 and will continue unless changed after future consultation.

7. Appendix 1 – Narrative responses.

All narrative responses have been reproduced here for completeness.

Q1 Response - If you disagree please write your answer here

Comments from on-line responders

Many will be empty due to a death, having gone through it this recently myself for my mums home it has taken nearly 2 years to get probate, in that time I would not have been able to do anything with the property such as rent or sells I was not the legal owner and therefore could not give approval to do anything, this feel like yet another way to penalise those suffering through the distress of losing a love one and dealing with a very unwieldy and very slow inheritance and probate process which they would have no control over.

If one wishes to leave an asset empty then they have every right to do so. Local authorities should not be dictating demands if the person's preference is to leave the asset empty, this might be social or emotional reasons or family related problems which is often the reason.

There may be a valid reason that the property is empty which is being completely disregarded by a blanket tax

There are many reasons why houses remain empty.

"Why should you pay for a service you are not receiving,"

"There are better ways of getting empty property to become occupied. Publish a register of empty properties. This can encourage estate agents and potential buyers to acquire and/or develop them. Make use of them to house Ukrainian migrants."

I disagree - if a property is empty there is a reason for this and no services are being utilised - it is totally unfair that 100% premium is applied

I have an empty property. I had the same tenant for 12 years who sadly passed away in February of this year. If I had sold earlier I would have made her homeless in her eighties which I didn't feel I could do. The property was under offer. It got all the way to exchange but the buyer pulled out after 5 months. With council tax and service charge it is already costing me almost £400 a month for it to be empty. I am now using my pension to pay you. Please realize not all properties are empty through choice. Where on earth do you expect me to find even more money?

The premium is less than the maximum allowed.

My dad died at the beginning of covid and it took 15 months to get Probate. We managed to sell his house 2.5years after he died after 2 aborted sales. Circumstances were outside our control

I don't agree as empty homes with no residents in them do not use the council facilities so should not be charged in full. Furthermore empty properties are usually just temporary as in going through probate, waiting to sell or between tenants. I do not own an empty property so this is not a biased opinion.

"People are already paying full council tax for empty homes and getting nothing in return for that fee so why should they pay more? If someone has a second home it is their choice not yours what they do with it. Why should they be forced into doing something just because it's what you think should be done? It's a free country, let people make their own decisions.

Spend your time chasing people who don't pay their council tax, rather than punishing people who do but choose to keep their home empty for often very valid reasons."

Bromley does not do enough to encourage development and has archaic policies on back land developments for example. The council should be a facilitator. It should be taken into consideration if planning applications have been submitted but in any event this proposed policy is wrong and unfair. Bromley should be looking at their planning policies to stimulate growth

There are many reasons for property to be empty and it is an owner's right to leave it empty if they wish. If housing is needed more social housing should be built both private and public.

There can be many reasons for homes being empty.

"Empty properties should be subject to the same Council tax as occupied properties. This would provide a regular and constant income for the local authority which should assist with financial planning. The owners of empty properties are essentially subject to an obligation to pay council tax for such properties even though they are hardly benefitting from Council services. As there are no occupiers there is no benefit from household waste collections, from highway maintenance in the locality, or from education provisions or help with care for the elderly. In short the existing position is that owners of empty properties are paying to the local authority for things they receive no benefit from

There can be no justification for seeking to oblige owners of empty properties to pay any premium above the standard council tax based on the length of time a property has been empty. One has to ask oneself what would be the purpose of such a policy? Clearly it is unjustifiable if the aim is to increase the council tax income of the local authority because it would be seeking to ramp up the council tax levy on a certain class of property owners irrespective of any consideration of the ability to pay such increased charges who already receive little or no benefit from the things council tax is supposed to pay for

In the alternative if the policy is designed to make more accommodation available to local people it is questionable whether such a policy is lawful. Council tax rates and levies are supposed to cover the budgetary requirements of the local authority not to be an instrument of housing policy. Furthermore no one would have any idea whether any empty properties would be either sold to or rented to local people. There is nothing to prevent these empty properties being rented to or sold to non local people thereby increasing the demands on local services and effectively causing the local authority to need additional resources thereby increasing the taxation burden on local residents. The concept of such a policy is unfair to empty property owners and may not provide any benefit to local people or to the local authority"

The Empty Homes Premium should be applied at the rate of 200% for properties empty between 2 & 3 years, 350% for properties empty between 4 & 5 years, and 500% for properties empty for more than 5 years. It should really hurt to leave a usable property empty while the country suffers a housing crisis, to encourage owners to either rent them out or sell them (either way getting them back into the market where people who need them can use them).

It is people's property. They can do whatever they want with it. Encouraging and advising is ok, but not forcing by applying taxes

The country is taxed enough. Maybe having the government or the council building and reclassifying some green belt land could help instead of going after taxes? Taxing will make no changes if no housing stock is built.

It will have the opposite effect of what you are trying to achieve

This would effectively be a fine. 350 empty homes is a drop in the ocean in terms of property need. Please stop looking to blame the lack of planning consents granted or any encouragement to build the homes we need. This proposal is unlikely to have any noticeable effect.

It doesn't seem right that a house that is utilising less council resource than one that is occupied should pay more than one that is. IF it does cost more for the council to look after the house, then it is acceptable to charge more. I would much prefer that councils offered to buy these houses and turn them into social housing.

"I don't agree because the council already take enough money from the fine people of Bromley.

Try spending the money you already take from us better, get better value for what you spend, do waste as much as you do!"

"Each Property will have to be assessed individually. There is a myriad of reasons a property maybe uninhabited I'll give you two examples that I know of, but at opposite ends of the spectrum. Property 1) Has not been lived in for 12 months as it is due to be demolished but is waiting on Bromley Council Planning department. The house needs a new Bathroom due to the leaving tenants doing untold damage and leaving it damaged beyond repair. They also broke kitchen units and pulled tiles from the walls. I don't mind but I was doing a Family a favour as they had no income, they didn't care about the house as they knew it was going to be demolished. They have now left me with an uninhabitable property which needs Â£50 / Â£60K spent to make it habitable when it's only going to be demolished as soon as your planning department approve the plans. Property 2) Has been uninhabited for around 12 months is perfectly liveable in and generally in very good condition. It's very close to all amenities and is on level ground. The owner has gone into a home, but the Family don't at this time want to sell it as the market is depressed but they also don't want other people in the old Family home.

So there you have two completely different situations: Property 1) A private individual hasn't the money to put the property back into circulation and even if they had the money who pays if work has started and Planning is granted? They through no fault of their own are stuck between the developer and your planning department. Property 2) A private individual doesn't have to spend any money but is just sitting on the property. If property developers or individuals are holding property waiting for a better opportunity or companies are holding property for employees they are trying to entice into the area, then yes, no problem. However, an individual who is a situation like property 1 then that's completely unjust and criminal."

If the house is in disrepair and you don't have the money at this time to do it up. You shouldn't have to pay more council tax as you already pay it on the empty property each case is probably different. You wouldn't leave it empty if you had the choice

People should have a right to do what they want with their own property.

it is none of your business

It is up to the owner how they want to utilise their property. They shouldn't be punished by the council. There are so many rules and regulations nowadays for landlords: it may not be worth it financially and hassle wise to rent said property. I know many people who rented properties and property was either trashed / rent not paid and owner not able to remove tenant. Instead how about council approach owners and buy property.

"Is there anything you won't tax?! What has it got to do with the council what people do with their property? This annoys me and I don't even have a second home to leave empty! Bloody hell, I thought we had a Tory council

Given the current housing crisis, I feel that the premium should be higher to deter empty properties.

I have an empty bungalow that would like to let but have access problems as it's shared with a business. Without being allowed planning for a second entrance I cannot do this so have to pay full council tax on an empty property that I can't let

I think it is important that the charge is applied more sensitively than proposed, i.e. that it takes into account whether the home owner/landlord has tried to sell or rent the property during the initial two period, and whether for example the property has undergone renovation work etc to prepare it for sale or rent.

There is, and has been, a slowdown and downturn in the property market so those who are trying to sell their empty properties should be exempt from further increases. At a time when everyone is encountering financial pressures any further increase in financial outgoings would be unfair to those trying to do the right thing.

"What people choose to do with their own property is their decision & not a matter for the State to involve itself in.

I've never seen a recommendations by a council which would result in the reduction of tax."

Comments from postal responders

If a home is empty and the Council Tax is already being paid why in this current financial climate would it make sense to increase the Council tax? If it is an eyesore then the resident/owner should be addressed, if action is not taken then proceed down another route. Properties may be empty for a reason i.e. probate.

Actually 'about 348 homes' must be a very small proportion of homes in a Borough the size of Bromley. Properties are left empty for a reason from what I have seen walking around (and I walk a lot) they are mainly older and larger premises requiring major works, I would think under pinning and so forth which the owners cannot afford. Hitting them with increased Council Tax will only make matters worse for them. Surely it is better if the Council adopts a 'carrot' approach rather than a 'stick' approach.

I disagree because sometimes it can take a long time to renovate/sell a property and there is already a Council Tax liability that has to be paid.

There can be many legitimate family related reasons why a property may remain empty for an extended period after a death, so if the owners are keeping it in good repair this premium unfairly penalises them in an already difficult situation. The Council should check for any mitigating circumstances on empty properties then enact the premium only in certain conditions. With only 348 properties in the Borough this doesn't seem an unreasonable administrative burden for the Council Tax team to manage.

With house prices going down this is a ridiculous measure to lock in losses. I would love to sell but it isn't happening.

No comments

There can be any number of reasons why a property is left empty, often beyond the owner's control. This is simply a money making stealth tax

It's outrageous charging for receiving nothing in return - morally and ethically wrong. You don't know why people have empty properties - there are often very varied reasons. Renting is stressful and selling isn't always possible for many reasons. Stop penalising people who work hard!

We are probate solicitors and sometimes it can take over 2 years to administer an estate and sell a property

If owners can provide a proper and sensible acceptable reason there should be an appeal process.

Due to various circumstances there are certain reasons why some properties are empty over a period of time. Penalising everyone in the same category would be very unfair without consulting the owner first.

I have no vested interest in this issue other than the problems you describe ought to be dealt with by an appropriate mechanism commensurate to the problems caused by empty properties rather than a general notional penalty.

There could be a case for charging absent landlords but not for targeting individual householders who have mitigating circumstances for their empty property. Such an approach is punitive and unfeeling.

The number of empty properties in the borough is a very small proportion of the total. This proposal does not consider personal circumstances, just assumes that every property is owned by a property development company. Once the Council Tax is paid it should be no concern of the Council

Reasons previously given are perfectly valid but not accepted last time. Consultations in this circumstance are purely window dressing for a political decision already taken!