

<b>Report to:</b>	Cabinet  Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services)  Council	<b>Date of Meeting:</b>	9 January 2020  14 January 2020  23 January 2020
<b>Subject:</b>	Council Tax Reduction (CTR) Scheme 2020/21, Council Tax Base 2020/21 and Changes to Council Tax Discounts for Empty Homes		
<b>Report of:</b>	Head of Corporate Resources	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### **Summary:**

The purpose of this report is to provide details of the review of the local Council Tax Reduction Scheme for 2019/20 and to recommend that there is no change to the scheme for 2020/21 for working age claimants.

The report also asks that Cabinet recommend to Council changes to discretionary Council Tax Empty Homes discounts following the outcome of a public consultation, and an additional increase to the Council Tax long-term Empty Homes Premium following a consultation exercise that took place in 2018.

In addition, the report also asks Cabinet to recommend to Council an increase in the Exceptional Hardship Fund (EHF) budget from £150,000 to £170,000 from 2020/21 onwards.

Finally, the report provides an updated Council Tax Base for Sefton Council and each Parish area for 2020/21.

## **Recommendations:**

### **Cabinet:**

- (1) Note the contents of the review of the Council Tax Reduction Scheme for 2019/20.
- (2) Recommend to Council that there are no changes to the existing Council Tax Reduction Scheme for 2020/21 for working age claimants.
- (3) Note the outcome of the recent consultation and equality impact assessment on the proposed changes to Council Tax Empty Homes discounts as set out in Annex B.
- (4) Recommend that Council approves changes to discretionary Council Tax Empty Homes discounts from 1<sup>st</sup> April 2020, to reduce the discount on uninhabitable properties from 50% to 0%, and to reduce the discount for the first month that a property is empty from 100% to 50%.
- (5) Recommend that Council approves a change to the long-term Empty Homes Premium from 1<sup>st</sup> April 2020, to increase the premium charged on properties that have been empty for 5 years or more from 100% to 200%.
- (6) Recommend that Council approves the relevant 2020/21 Council Tax Base for Sefton Council and each Parish Area as set out in Annex A.
- (7) Recommend that Council approves an increase in the Exceptional Hardship Fund budget from £150,000 to £170,000 from 2020/21 onwards.

### **Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services):**

- (1) That the report be noted.

### **Council:**

- (1) Note the contents of the review of the Council Tax Reduction Scheme for 2019/20.
- (2) Approve that there are no changes made to the existing Council Tax Reduction Scheme for 2020/21 for working age claimants.
- (3) Note the outcome of the recent consultation and equality impact assessment on the proposed changes to Council Tax Empty Homes discounts as set out in Annex B.
- (4) Approve the changes to discretionary Council Tax Empty Homes discounts from 1<sup>st</sup> April 2020 to reduce the discount on uninhabitable properties from 50% to 0%, and to reduce the discount for the first month that a property is empty from 100% to 50%.
- (5) Approve a change to the long-term Empty Homes Premium from 1<sup>st</sup> April 2020, to increase the premium charged on properties that have been empty for 5 years or more from 100% to 200%.

- (6) Approve the relevant 2020/21 Council Tax Base for Sefton Council and each Parish Area as set out in Annex A.
- (7) Council approve an increase in the Exceptional Hardship Fund budget from £150,000 to £170,000 from 2020/21 onwards.

## **Reasons for the Recommendations:**

### **Council Tax Reduction Scheme**

Each financial year the Council must consider whether to revise or replace its local Council Tax Reduction Scheme. The Council must approve and adopt the 2020/21 Council Tax Reduction scheme by 11 March 2020, as set out in the Council Tax Reduction Scheme (Amendment) (England) Regulations 2017.

This report comments on the impact of various changes made to the scheme in recent years together with the impact of the Government's Welfare Reform changes. After consideration of the factors outlined later in the report it is proposed that the local Council Tax Reduction Scheme for 2020/21 remains unchanged for working age claimants.

### **Council Tax Empty Homes Discounts**

Reducing the level of support offered by the current discretionary local empty homes discounts may encourage owners of empty homes to bring them into use more quickly. It would remove the current favourable treatment of empty homes, encourage better use of local housing stock, bring the Council's policy more into line with other local Councils in the Liverpool City Region who do not offer discretionary empty homes discounts and provide a much-needed increase in council tax income.

### **Long-term Empty Homes Premium**

Increasing the long-term empty homes premium is intended to encourage owners to bring them back into use. Recent legislation allows the Council to increase the premium on properties that have been empty for longer than 5 years to 200% from 1st April 2020. Any additional income raised from the premium will help support the provisions of Council services.

### **Exceptional Hardship Fund (EHF)**

The Council set the current budget of £150,000 in 2013/14. Since then the average Band D council tax charge in Sefton has increased by 25.6%. To keep pace with the increases in council tax the fund would have had to be increased by £38,500 in 2019/20. The fund has also been utilised to meet the cost of discretionary discounts awarded to care leavers since 2018/19. These discounts are costing approximately £19,000 in 2019/20. The suggested increase of £20,000 would offset the cost of the care leavers discounts in 2020/21 and restore some of the capacity of the EHF to alleviate the burden of council tax charges on CTRS claimants who are suffering exceptional hardship.

### **Council Tax Base**

In accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as amended, the Council is required to set a tax base for both Sefton Council and for each Parish Area for 2020/21 before 31st January 2020.

## **Alternative Options Considered and Rejected: (including any Risk Implications)**

### **Council Tax Reduction Scheme**

The Council last revised its local Council Tax Reduction Scheme in 2018/19 following a public consultation process. The changes introduced in April 2018 continue to address the Council's priorities to minimise the impact on vulnerable residents, by striking a balance between dealing with Council priorities whilst supporting those experiencing financial hardship. As a result, the changes made in 2018 continue to be fully monitored and evaluated. No alternative options for change have been considered for 2020/21.

### **Council Tax Empty Homes Discounts**

The Council could choose not to make changes to discretionary Council Tax Empty Homes discounts. This approach would not provide an additional incentive for owners of empty homes to bring them back into use more quickly. A lower level of Council Tax income would be generated and a higher level of savings would need to be achieved in 2020/21.

### **Long-term Empty Homes Premium**

The Council could choose not to increase the long-term empty homes premium; however, this would not provide any further incentive for owners of long-term empty homes to bring them back into use.

### **Exceptional Hardship Fund (EHF)**

The Council could choose not to increase the EHF budget. However, this would restrict the Council's capacity to alleviate the burden of council tax payments on those CTRS claimants experiencing exceptional hardship in 2020/21 and in future years.

## **What will it cost and how will it be financed?**

### **(A) Revenue Costs**

#### **Council Tax Reduction Scheme 2020/21**

There would be no additional revenue implications because of a decision to retain the current scheme. The cost of the current Council Tax Reduction Scheme has been reflected in the Council Tax base.

#### **Proposed changes to discretionary Council Tax Empty Homes discounts and Long-term Empty Homes Premium**

This report includes a number of proposals that would have an impact on the Council's tax base and forecast Council Tax income if they are approved. These include:

- Reducing the current level support offered by the discretionary Council Tax empty property discount from 100% to 50% (for up to 1 month).
- Removing the discretionary uninhabitable property discount.

- Increasing the empty homes premium charged on properties that have been left empty for longer than 5 years from 100% to 200%.

### **Exceptional Hardship Fund (EHF)**

Increasing the current EHF budget from £150,000 to £170,000 will cost £20,000 in 2020/21 and in future years. This budget is held in the General Fund so Sefton Council meets the full cost of discounts awarded under the scheme.

If Members agree the proposals within this report the financial implications will be outlined in the forthcoming budget reports for 2020/21.

### **Council Tax Base**

Changes to the Council Tax base will have an impact on the level of Council Tax income transferred from the Collection Fund to the Council's General Fund in 2020/21. It will also impact on the amounts due to the Police and Crime Commissioner, the Fire and Rescue Service, and the Combined Authority.

The following table shows the impact of net changes in the year, forecast growth, and proposed changes to discretionary discounts and premiums, on the Council Tax base between 2019/20 and 2020/21, based on the 2019/20 Council Tax Band D charge:

<b>Council Tax Income</b>	<b>Sefton Council £000</b>	<b>Police &amp; Crime £000</b>	<b>Fire &amp; Rescue £000</b>	<b>Combined Authority £000</b>
Tax Base 2019/20	132,027	16,981	6,629	1,597
Net changes	22	3	1	0
Forecast Growth	478	61	24	6
Reducing the Empty Property Discount to 50%	342	44	17	4
Removing the Uninhabitable Property Discount	280	36	14	3
Increasing the Long-term Empty Homes Premium	178	23	9	2
<b>Total</b>	<b>133,325</b>	<b>17,148</b>	<b>6,694</b>	<b>1,613</b>

### **(B) Capital Costs**

No capital costs applicable.

## **Implications of the Proposals:**

### **Resource Implications (Financial, IT, Staffing and Assets):**

The proposed changes to discretionary Council Tax empty homes discounts and the long-term empty homes premium is forecast to increase Council Tax income.

### **Legal Implications:**

#### **Local Council Tax Reduction Scheme**

By Section 5 of Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012) for each financial year each billing authority must:

- a. Consider whether to revise its Council Tax Reduction Scheme or to replace it with another scheme
- b. Make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement is to have effect.
- c. If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of person is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.
- d. Before revising its scheme or making a replacement scheme, an authority must:
  - i. Consult any major precepting authority which has power to issue a precept to it.
  - ii. Publish a draft scheme in such manner as it thinks fit, and
  - iii. Consult other such persons as it considers are likely to have an interest in the operation of the scheme.

#### **Council Tax Empty Homes Discounts**

The Council has discretionary authority to set local discounts for empty homes under S.11A of the Local Government Finance Act 1992 as amended by Section 11 of the Local Government Finance Act 2012.

#### **Council Tax Empty Property Homes Premium**

The statutory provisions which empower the Council to effect the proposed changes are set out in this report.

To comply with public law principles of good decision making, a consultation on the proposals has taken place and the outcomes are detailed in this report.

### **Equality Implications:**

The equality Implications have been identified and mitigated.

## **Contribution to the Council's Core Purpose:**

Protect the most vulnerable: The options proposed will help to maintain fairness and consistency. The changes that the Council introduced to the local Council Tax Reduction Scheme in 2018 are intended to work more effectively with Universal Credit, align the provision for children, disability, and caring responsibilities.
Facilitate confident and resilient communities: Not applicable
Commission, broker and provide core services: Not applicable
Place – leadership and influencer: Not applicable
Drivers of change and reform: Not applicable
Facilitate sustainable economic prosperity: Provide support to those in financial hardship as well as supporting people into work.
Greater income for social investment: Not applicable
Cleaner Greener: Not applicable

## **What consultations have taken place on the proposals and when?**

### **(A) Internal Consultations**

The Head of Corporate Resources (FD5890/19) and the Chief Legal and Democratic Officer (LD4074/19) have been consulted and any comments have been incorporated into the report.

### **(B) External Consultations**

#### **Council Tax Reduction Scheme 2020/21**

The precepting authorities (Merseyside Fire Service and Merseyside Police) and the combined Authority have been informed of the recommendation no change to the local scheme for 2020/21.

#### **Council Tax Empty Homes Discounts**

A public consultation ran for 7 weeks from 16<sup>th</sup> September 2019 to 1<sup>st</sup> November 2019. The consultation requested views on two proposals:

- (1) to reduce the discretionary discount on uninhabitable properties that is currently 50% for 12-months to 0% from 1<sup>st</sup> April 2020, and
- (2) to reduce the discount for the first month that a property is empty from 100% to 50% from 1<sup>st</sup> April 2020.



The Police and Crime Commissioner for Merseyside supports the Council's proposals to change Council Tax discounts from 1<sup>st</sup> April 2020.

### **Empty Homes Premium**

A public consultation on the proposal to increase the Council Tax empty homes premium ran for 5 weeks from 29th October 2018 to 3rd December 2018. The consultation requested views on the proposal to increase the premium charge from 50% to 100% from 1<sup>st</sup> April 2019.

It also asked for views to further increase the premium charged on properties that have been empty for 5 years or more to 200% from 1<sup>st</sup> April 2020, and those empty for 10 years or more to 300% from 1<sup>st</sup> April 2021.

The Police and Crime Commissioner for Merseyside supported the Council's proposals to increase the Council Tax premium from 50% to 100% in-line with the new legislation from 1st April 2019. In addition, the Police and Crime Commissioner would also support the Council if it made the following changes to the premium: -

- 200% premium from 1st April 2020 on properties empty for 5 years or more; and
- 300% premium from 1st April 2021 on properties empty for 10 years or more.

### **Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet recommendation to Council and approval by Council on 23<sup>rd</sup> January 2020.

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### **Appendices:**

Annex A: Council Tax Base Report 2020/21

Annex B: Summary of feedback from the consultation on changing Council Tax Empty Homes discounts and the associated equality impact assessment

Annex C: Summary of feedback from the consultation on increasing Council Tax long-term empty homes premium and the associated equality impact assessment.

### **Background Papers:**

There are no background papers available for inspection.

## **1. Local Council Tax Reduction Scheme**

### **1.1 Introduction / Background**

1.2 Local Council Tax Reduction replaced Council Tax Benefit (CTB) from 1<sup>st</sup> April 2013. The Council Tax Reduction Scheme is a discount awarded to households on a low income to help towards Council Tax payments. The amount awarded is based on a person's household and income. The local scheme rules only apply to working-age Council Tax payers. Pensioners are protected by legislation and must be provided with the level of Council Tax support specified by the Government.

1.3 The grant transferred to the Council, Police and Crime Commissioner and Fire Service in 2013/14, £24.2M; to fund the local scheme was £3M lower than had previously been provided to fund CTB in 2012/13. The Council therefore had to introduce changes to the national default Council Tax Support Scheme in order to ensure that the local scheme was cost neutral. As the Government had specified the level of support that had to be provided to pensioners, the saving requirement had to be met by reducing the level of support available to working age claimants and through changes to Council Tax empty property discounts.

1.4 The Council is required, by law, to review the Scheme each year irrespective of whether it is being amended.

1.5 The Council Tax Reduction Scheme for 2020/21 must be agreed by Council by 11<sup>th</sup> March 2020.

### **2. Review of the Council Tax Reduction Scheme for 2019/20**

2.1 To satisfy the requirement to review the Scheme, the following areas have been evaluated:

- Claimant caseload
- Scheme expenditure
- Impact on most vulnerable claimants
- Welfare Reform changes
- Council Tax collection
- Attachment of Benefits
- Review of the Council's principles for the Scheme
- Council Tax Exceptional Hardship Fund.

### **2.2 Claimant Caseload**

The table below shows the caseload data at 30<sup>th</sup> September 2019 compared to caseload data at the end of each year since the Council Tax Reduction Scheme was introduced in 2013/14:

Year	Date	Pensioners	Working Age	Total	Change
2013/14	03.04.14	14,655	16,025	30,680	n/a
2014/15	01.04.15	13,925	15,349	29,274	-1,406
2015/16	31.03.16	13,206	14,886	28,092	-1,182
2016/17	31.03.17	12,541	14,524	27,065	-1,027
2017/18	31.03.18	11,970	14,005	25,975	-1,090
2018/19	30.09.18	11,650	13,951	25,601	-374
2018/19	31.03.19	11,404	14,160	25,564	-411
2019/20	30.09.19	11,183	14,190	25,373	-191

The working age caseload can be split further:

Year	Date	Employed	Other	Total	Change
2013/14	03.04.14	2,874	13,151	16,025	n/a
2014/15	01.04.15	2,748	12,601	15,349	-676
2015/16	31.03.16	2,504	12,382	14,886	-463
2016/17	31.03.17	2,193	12,331	14,524	-362
2017/18	31.03.18	1,900	12,105	14,005	-519
2018/19	30.09.18	1,763	12,188	13,951	-54
2018/19	31.03.19	1,597	12,563	14,160	+155
2019/20	30.09.19	1,286	12,904	14,190	+30

2.3 Pensioner Claimants: Since the implementation of the scheme in 2013/14 the number of Pensioner Claimants has declined in every year. The total change in pensioner claimant numbers between 2013/14 and 2018/19 was -3,251, which is a reduction of -22.2%. Pensioner claimant numbers have continued to fall in 2019/20.

#### 2.4 Scheme Expenditure

The following table shows the Council Tax Reduction Scheme expenditure reported in the Revenue Outturn Return compared to the mid-year estimate for 2019/20:

Year	Source	Pensioners £000	Working Age £000	Total £000	Change £000
2013/14	RO Return	13,305	9,907	23,212	n/a
2014/15	RO Return	12,152	10,364	22,516	-696
2015/16	RO Return	11,895	9,760	21,655	-861
2016/17	RO Return	11,540	10,559	22,099	+444
2017/18	RO Return	11,378	10,948	22,326	+227
2018/19	RO Return	11,695	11,069	22,764	+438
2019/20	Estimate	11,862	11,776	23,638	+864

Notes:

1. 2013/14: The split of Pensioner and working age costs included an estimate

based on ceased cases so may not provide an accurate basis for comparison.

2. 2016/17: The increase in the total cost included the impact of the reduction in claimant contribution, from 20% in 2015/16 to 16% in 2016/17 and the Council Tax increase of 3.69% in year.
3. 2019/20 Estimate: Pensioner & working age cost have been split based on the weekly average recorded on the monthly CTR304 reports up to 30 September 2019.

## 2.5 Council Tax Base Return Data

The following table provides a view of the Council Tax Reduction Scheme expenditure based on weekly payments recorded in early October as reported in the Council Tax Base Return:

<b>Year</b>	<b>Source</b>	<b>Pensioners £000</b>	<b>Working Age £000</b>	<b>Total £000</b>	<b>Change £000</b>
2013	CTB Return	12,602	10,214	22,816	n/a
2014	CTB Return	12,491	10,260	22,751	-65
2015	CTB Return	11,991	10,033	22,024	-727
2016	CTB Return	12,503	9,918	22,421	+397
2017	CTB Return	12,579	9,816	22,395	-26
2018	CTB Return	12,634	9,742	22,376	-19
2019	CTB Return	11,995	11,780	23,775	+1,399

## 2.6 Impact on the most vulnerable claimants

The Scheme implemented in 2018/19 continues to address the Council's priorities to minimise the impact on the most vulnerable, by seeking to strike a balance between dealing with Council priorities whilst supporting the financially vulnerable. The Council, having recognised the impact on communities, has introduced a range of mitigating actions, including:

- Provision of an Exceptional Hardship Fund (see Section 2.11)
- Allowing a Universal Credit notification, received from the Department for Work and Pensions (DWP), to be treated as a claim for local Council Tax Reduction, thus removing the need for those in receipt of Universal Credit to have to make a separate claim for support towards their Council Tax.
- Making provision in the local Council Tax Reduction Scheme for awards to be backdated for up to 6-months for working-age vulnerable claimants.
- Deciding that the Council's local Council Tax Reduction scheme for working-age families should not to replicate the rules that are in place in the national Housing Benefit scheme and the Council Tax Reduction Pensioner scheme whereby the removal of the family premium and the "2-child" rule restrict the level of award.

- Offering 12-month (rather than 10-month) instalment payments to Council Tax payers.
- Adopting a sensitive approach to enforcement action to consider the potential vulnerability of Council Tax Reduction claimants. Before cases are referred to Enforcement Agents a vetting stage has been introduced and cases are dealt with under a separate debt recovery process to minimise potential increases in debt.
- Facilitating a meeting between the Council's contracted Enforcement Agents and Citizens Advice Sefton to establish closer working arrangements to support people in debt. Citizens Advice Sefton now have direct lines of communication with the Enforcement Agents and can arrange for recovery action to be placed on hold whilst discussing and agreeing affordable payment arrangements.
- Implementing processes for Council staff to refer claimants to Citizens Advice Sefton for help and support with debt/budgeting advice, or making/maintaining their Universal Credit claim.
- Putting an escalation process in place for the debt advisor based at South Sefton foodbank to contact nominated Council Tax staff to request a hold on recovery action or discuss affordable payment arrangements.
- Participating in Sefton's Welfare Reform Anti-Poverty Partner's Group – staff from the Council's Council Tax and Benefit team, work with partner organisations and other Council services to support residents suffering financial vulnerability and to provide practical support such as signposting claimants for winter coats, school uniforms.

## 2.7 Welfare Reform Changes

The Government has implemented a series of welfare reform changes aimed at cutting the cost of welfare payments and providing more incentives to work. These changes have had an impact on many claimants and on the level of Council Tax Reduction awarded.

Because of the Government making alterations to the Housing Benefit scheme and other welfare reform changes, specifically relating to the introduction and gradual phasing in of Universal Credit, there was a need to make some technical changes to the Council's local Council Tax Reduction scheme, for non-pensioner claimants only, so that both schemes are more aligned. Council therefore approved changes to the local Council Tax Reduction scheme for 2018/19 to take effect from 1st April 2018.

The Council continues to monitor and evaluate the impact that the changes are having on claimants. The table below provides a summary of the changes implemented since 2018, as at 4<sup>th</sup> November 2019:

<b>Description of the change</b>	<b>Comment (as at 4<sup>th</sup> November 2019)</b>
Fixed Income Period for six months	<p>There are 1,420 Council Tax Reduction claims with a Fixed Income Period applied.</p> <p>By setting a Fixed Income Period, Council Tax Reduction does not need to be recalculated each month when earnings fluctuate. The Council's Benefits service continue to review the claims to identify what the change is and decide if it requires reassessment.</p> <p>There are some administrative savings as Council Tax Reduction cases will not be recalculated each month where earnings fluctuate. Notification letters are not produced when there is no recalculation, revised Council Tax bills are not issued, and customers do not have a need to contact the Council to ask why their Council Tax bill has changed etc.</p>
Apply a minimum income floor for all Council Tax Reduction new claimants where they have been self-employed for more than 12 months.	<p>There are 25 Council Tax Reduction claims where the minimum income floor has been applied. All but 4 of the cases resulted in the customer not qualifying for Council Tax Reduction as a result. The low number affected is not surprising as the provision only applies to new claims.</p> <p>This change mirrors the rules used in Universal Credit</p>
Temporary absence rules for Housing Benefit and Council Tax Reduction for those who leave the country for more than four weeks.	<p>No claims have been identified that are affected by this change.</p> <p>The four-week absence period can be extended by a further four-weeks if absence is linked to the death of a close relative or up to 26-weeks in certain other specified circumstances.</p>
Reform of Bereavement benefits: Bereavement support payment is disregarded for all other DWP benefits, including Housing Benefit	<p>Currently there are 5 claims where there is BSP (Bereavement Support Payment) recorded on the claim.</p>
Replicate Income / Capital disregard rules for payments received from We Love Manchester Emergency fund and London Emergencies fund	<p>No claims have been identified that are affected by this change.</p>

## 2.8 Council Tax Collection

The table below shows the amount of Council Tax billed and collected during 2018/19:

Recorded at 31st March 2019	Liability Raised £000	Received In Year £000	Collection Rate %
CTRS Cases - Working Age	3,953	2,781	70.3
CTRS Cases - Pensioner Age	1,715	1,736	101.2
Other Council Tax Payers	146,787	141,845	96.6
Total (in-year collection)	152,455	146,362	96.0

The in-year Council Tax collection rate reduced from 97.2 % in 2012/13 under the Council Tax Benefit system to 96.2% in 2013/14 when local Council Tax Reduction was introduced. Since then the overall collection rate has remained within a narrow range from 96.0% to 96.3%. The in-year collection rate for Sefton Council for 2018/19 was 96.0%, which is 0.7% higher than the average for Metropolitan Districts.

### Council Tax Collection 2019/20

As at 31<sup>st</sup> October 2019, the in-year Council Tax collection figure was 64.11%. This is a drop of 0.14% on the equivalent comparison in 2018/19. However, throughout the year to date collection performance has varied from approximately +/- 0.1% compared to 2018/19.

There are several factors that continue to contribute to the difficulties in improving collection performance in year-on-year:

- The roll out of Universal Credit has resulted in delays in customers receiving their payments and this has had a knock-on effect regarding their ability to pay Council Tax.
- Delays in receiving Attachment of Benefits (AOB) monies – when a customer already subject to an AOB order moves onto Universal Credit their existing AOB order with the DWP is cancelled and must be resubmitted to the Universal Credit Team. This can lead to a period when no deductions are made.
- The number of customers advising the Council that they are seeking insolvency or debt advice has increased. In these instances, customers tend not to make required Council Tax payments.
- A greater awareness of vulnerability has meant that as soon as an issue is identified in most cases recovery action is placed on hold whilst the vulnerability aspect is assessed. It may also result in the Council entering into payment arrangements which take slightly longer to repay because of a genuine financial vulnerability being identified.

## 2.9 Attachment of Benefits

Since the introduction of the Council Tax Reduction Scheme in April 2013 the number of working age claimants falling into arrears continues to grow. One recovery option open to the Council in respect of benefit claimants is to apply for an AOB via the courts. Under this option the Court can require a payment of up to £3.70 per week to be made by the DWP directly from the claimant's benefits to meet Council Tax arrears.

Payments by AOB do provide some certainty to both the Council and the debtor. For the Council, the payments do guarantee regular income from the debtor. For the debtor, there is the security of knowing that a debt is being paid by a deduction from their benefit.

However, AOB is not a perfect solution to the problem of growing debt for the following reasons: -

- An AOB cannot be applied without first having taken the debtor to court to obtain a Liability Order. Due to the need to follow the correct legislative timeline for obtaining a Liability Order, payment by AOB cannot commence until part way through the year. Typically for a bill issued in March the first payments would not be made by the DWP until August of the same year.
- Many debtors have arrears outstanding for multiple years Council Tax. An AOB can only be used to collect one debt at a time. In addition, current legislation does not allow the Council to take any other form of debt recovery (e.g. use of Enforcement Agents) whilst an AOB is in place. To mitigate this, people on AOB have been issued letters asking them to contact the Council for advice, to make alternate payment arrangements or seek financial advice from Citizens Advice Sefton. However, this initiative met with only a few people contacting the Council to make arrangements to pay.
- Collection of Council Tax debt by way of AOB is not the highest priority of debt administered by the DWP. Therefore, the level of recovery will be affected when people have multiple debts e.g. rent and energy debts are given a higher priority.
- Many new claimants for Council Tax Reduction have already accrued debts before an AOB can be considered.
- At the commencement of the scheme in 2013 the maximum deduction of £3.70 was lower than the minimum weekly Council Tax charge for all property bands. The minimum contribution of 20% towards the Council Tax was greater than the amount that could be collected within the year by AOB. This created a problem of debt being carried forward to the following year. Therefore, whilst debt payments are being collected regularly the amount of debt at the end of each year kept growing.
- To try and break the cycle of debt the Council Tax Reduction Scheme was amended with effect from 1st April 2016 to reduce the minimum contribution rate to 16%. This rate was calculated so that the AOB payment of £3.70 per week was more than would be due from Council Tax for many of the claimants. The table below provides a snapshot of the amount of debt being recovered under AOB and the amount of debt still waiting recovery by AOB:



	<b>01.04.18</b>	<b>01.04.19</b>	<b>31.10.19</b>
AOB in Payment	£916,181	£1,121,179	£1,268,727
No. of Cases	5,200	6,276	6,642
AOB Pending	£3,216,978	£3,987,625	£4,801,112
No. Of Cases	14,083	16,919	19,602

- A significant number of customers have arrears for more than one financial year. As only one AOB order may be deducted at a time there has been a significant increase in the number of pending cases. These cases are effectively stacked up until an earlier order is paid. No recovery action may be taken in the interim and the value of such cases is increasing year on year.

## 2.10 Review of Scheme Principles

The local Council Tax Reduction Scheme is based on five principles and the review is summarised below:

<b>Principle</b>	<b>CTRS working for non-pensioner claimants?</b>
The Council will continue to support work incentives	<p><b>Yes</b> – The Council continues to operate a system which disregards certain amounts of money from customers earnings through employment (and self-employment) when calculating entitlement.</p> <p>This results in some additional support to those customers receiving Universal Credit who are in low paid work, following the removal of UC work allowances from April 2016</p>
The Council will continue to recognise the additional needs of our most vulnerable residents.	<p><b>Yes</b> – The Council continues to make additional allowances and give additional support to those receiving certain DWP sickness benefits, disability benefits and benefits for Carers when calculating entitlement.</p> <p>Additionally, the Council continues to disregard certain disability benefits as income when calculating entitlement</p> <p>Procedures were reviewed for the collection of non-payment of Council Tax to ensure non-disproportionate impact on the most vulnerable households. Also budgeting support and advice is made available to all claimants.</p> <p>The Council Tax Exceptional Hardship Fund – is available to those in the greatest financial need with fair and transparent criteria for awards.</p>

<p>The Council will continue to recognise the additional needs of families with children</p>	<p><b>Yes</b> – Child Benefit and Child Maintenance payments are not considered as income when calculating entitlement to CTRS.</p> <p>Additional allowances are given when calculating entitlement for where there is a disabled child in the family.</p> <p>The CTRS also mirrors provisions in the Housing Benefit scheme by taking child care costs into account for low income working families</p> <p>The Council will continue to include the Family Premium when calculating the Council Tax Reduction. This was removed for all new Housing Benefit claims from May 2016. The Council has also chosen not to mirror the changes made to Housing Benefit which restrict the amount of support given to families with more than two children within its CTRS;</p>
<p>The Council supports households staying together to make better use of housing in Sefton and reduce homelessness.</p>	<p><b>Yes</b> - The amount of Council Tax Reduction taken away from a customer when other adults live in the household (known as a non-dependant deduction), was reduced in 2013 and remains at those lower levels.</p>
<p>The Council will continue to have due regard to the Armed Forces Covenant</p>	<p><b>Yes</b> – War Disablement and War Widows pensions in calculating CTRS, including any Armed Forces compensation in accordance with the covenant is disregarded. This also includes the service attributable element of the armed forces pension could also be disregarded as income when calculating entitlement.</p>

## 2.11 Council Tax Exceptional Hardship Fund (EHF)

A key feature of the local Council Tax Reduction scheme was the creation of an exceptional hardship fund with an annual budget of £150,000 to help mitigate hardship issues for vulnerable working age claimants. The fund is used to reduce Council Tax bills when an individual is judged to be facing severe financial hardship. The fund is administrated within an agreed policy approved by Cabinet Member for Regulatory, Compliance and Corporate Services.

For the purposes of administration, the decision to grant any reduction in liability is considered under any one of three categories, which includes “Exceptional Financial Hardship - for Council Tax payers who have qualified for support under the Local Council Tax Reduction Scheme but who are still experiencing severe financial hardship”.

The Discretionary Reduction in liability Policy replaced the Council Tax Exceptional Hardship Scheme that has been in place since April 2013. That scheme was introduced by the Council to mitigate against potential issues that may have arisen because of the

abolition of Council Tax Benefit and the introduction of the local Council Tax Reduction Scheme.

The following breakdown shows EHF awards for period 1st April – 31st October 2019:

- 889 claimants received an award
- Total amount awarded = £100,687.51
- Average award £113.25
- Average length of award = 6 months
- 430 claimants receiving an award have received an award previously
- 254 claimants have received an award on 3 or more occasions
- 155 claimants have received an award on 5 or more occasions
- Highest number of awards = 12
- 446 claims have been refused
- 36 Claimants received an award for the first time having previously applied and been refused.

The Council set the current EHF budget of £150,000 in 2013/14. Over the past six years the average Band D council tax charge in Sefton has increased by 25.6%. To keep pace with the increases in council tax the fund would have had to be increased by £38,500 in 2019/20. The fund has also been utilised to meet the cost of discretionary discounts awarded to care leavers since 2018/19. In 2018/19 the Council awarded exceptional hardship discounts of £132,112 and care leavers discounts of £16,579, giving total of £148,690 charged against the budget. Care leavers discounts have increased to £19,200 in 2019/20 leaving only £130,800 to meet the cost of exceptional hardship discounts awarded in 2019/20. Steps have been taken to contain the amount of EHF discounts awarded in the year, however, the current EHF budget is likely to be overspent in 2020/21 if further rationing of discounts is not applied.

## 2.12 Summary of local Council Tax Reduction Scheme Review 2019/20

The total number of claimants eligible for support has reduced in each year since 2013/14. The number of claimants has continued to reduce in 2019/20. In the first 6 months of the year the total number of claimants had reduced by 191 (0.7%) to 25,363 (11,183 pensioner age and 14,190 working age).

The forecast cost of the scheme has increased by £0.864m (3.8%) in 2019/20 to £23.638m as at 30<sup>th</sup> September 2019. This is due to the impact of an average Council Tax increase of 5.1% and the offsetting impact of a reduction in claimant numbers.

Welfare Reform changes introduced since 1 April 2018 are expected to continue to increase the cost of providing Council Tax support in 2020/21. The financial impact will depend on the number of claimants affected.

Council Tax in year collection rates fell by 1.0% to 96.2% in 2013/14 after the replacement of Council Tax Benefit with the local Council Tax Reduction scheme. The collection rate has remained at a similar level since, with a collection rate of 96.0% being achieved in 2018/19. This was 0.7% higher than the average collection rate for all Metropolitan Districts.

### **3. Council Tax Reduction Scheme - Consultation**

The statutory provisions are silent on the consultation required when a council is not proposing to change its Council Tax reduction scheme.

Letters will be issued to the precepting authorities – Merseyside Police and Crime Commissioner and Merseyside Fire and Rescue Service notifying them that no change is being proposed. The combined Authority will also be notified of no change.

### **4. Local Council Tax Reduction Scheme - Equality Impact Assessment**

Department for Communities and Local Government issued a report in February 2014 reminding local authorities of their key duties when deciding on local Council Tax Reduction Schemes:

- Public Sector Equality Duty (The Equality Act 2010)
- Duty to mitigate the effects of child poverty (The Child Poverty Act 2010)
- The Armed Forces Covenant
- Duty to prevent Homelessness (The Housing Act 1996)

A detailed equality assessment was undertaken and published as part of the design and implementation of CTRS for 2013/14. This assessment had been reviewed in the context of the proposed options for 2016/17 and found there was no disproportionate impacts as the mitigating actions put in place for the 2013/14 scheme remained. The assessment can be found at Annex D: Council Report dated 24 January 2013.

### **5. Proposal to make Changes to Council Tax Empty Homes Discounts**

5.1 Prior to 1 April 2013, the Government prescribed that certain classes of empty properties were exempt from paying Council Tax for a certain period set out in legislation. This included the following exemptions:

<b>Description</b>	<b>Exemption</b>
<b><u>Empty Property Exemption</u></b> For properties which are “unoccupied and substantially unfurnished”	100% for a maximum period of six months
<b><u>Uninhabitable Property Exemption</u></b> For vacant properties undergoing “major repair work” or “structural alteration”	100% for a maximum period of twelve months

5.2 In October 2011, the Government published proposals to abolish these mandatory exemptions and instead give billing authorities discretion to provide local Council Tax discounts on empty homes should they chose to do so. The proposals were intended to help local authorities keep the overall level of Council Tax down and to allow them to adjust the level of tax relief in respect of empty properties when local authorities judged that they do not merit special treatment.

5.3 Following a period of consultation the Government published its final proposals in May 2012. Legislation was then enacted in December 2012 that abolished the existing exemptions and allowed local authorities to set the level of Council Tax discounts that would apply to certain categories of empty homes from 1 April 2013.

5.4 For 'empty properties' the period of discount was limited to a maximum of six months. However, local authorities could choose to offer a discount for a shorter period or vary the level of discount offered within the period. For example, it would be possible to (a) offer no discount at all, (b) offer a discount of between 0% and 100% for six months or less, or (c) offer a larger initial discount for say one month, followed by a lower discount for up to 5 months or less.

5.5 For 'uninhabitable properties' the period of discount was fixed at 12 months (provided the property continued to meet the criteria). Local authorities could choose to (a) offer no discount, or (b) offer a discount of between 0% and 100% for 12 months.

5.6 On 24 January 2013, the Council approved the level of local empty homes discounts that would apply in Sefton from 1 April 2013 as follows:

<b>Description</b>	<b>Discount</b>
Empty Property Discount	100% for one month followed by 50% for the following five months
Uninhabitable Property Discount	50% for up to a maximum period of twelve months

5.7 On the 23<sup>rd</sup> January 2014, the Council decided to remove the 50% empty property discount that had applied from month two to month five. So, the revised discounts available from 1 April 2014 were as follows:

<b>Description</b>	<b>Discount</b>
Empty Property Discount	100% for a period of one month.
Uninhabitable Property Discount	50% for up to a maximum period of twelve months

5.8 The new local discretionary discounts offered a lower level of support compared to the previous mandatory exemptions. This resulted in an increase in Council Tax income in 2013/14, which was forecast at £1.010 million. A further increase of £0.780 million was forecast for 2014/15. This additional income was used to offset the impact of funding reductions that accompanied the abolition of Council Tax Benefit and its replacement with a local Council Tax Support Scheme in 2013/14, and to offset further grant cuts in 2014/15.

5.9 The level of both empty property and uninhabitable property discounts offered by Sefton Council has not changed since 2014/15. Other local authorities have reduced or removed their empty homes discounts in that time to increase Council Tax income in response to further significant cuts in Government grant funding.

5.10 The Council is required to formally approve any change to local Council Tax discounts.

### Empty Homes Discounts offered by other local authorities in the Liverpool City Region

5.11 There are five other billing authorities within the Liverpool City Region (LCR). Some continue to offer empty homes discounts, whilst others have removed the discounts altogether.

5.12 The table below provides a summary of empty homes discounts offered by all the billing authorities in the Liverpool City Region in 2018/19:

<b>Local Authority</b>	<b>Empty Property Discount</b>	<b>Uninhabitable Property Discount</b>
Halton	No discount	No discount
Knowsley	100% for up to one month	No discount
Liverpool	No discount	20% for up to 12-months
St Helens	100% for up to one month	25% for up to 12-months
Sefton	100% for up to one month	50% for up to 12-months
Wirral	No discount	No discount

### The cost of providing empty property discounts

5.13 The table below shows the cost of providing the existing empty homes discounts since 2013/14:

<b>Year</b>	<b>Empty Property Discount</b>	<b>Uninhabitable Property Discount</b>	<b>Total</b>
	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
2013/14*	0.671	0.239	0.910
2014/15	0.664	0.330	0.994
2015/16	0.668	0.319	0.987
2016/17	0.698	0.348	1.046
2017/18	0.731	0.310	1.041
2018/19	0.775	0.260	1.035

\* The cost shown for 2013/14 is for the first month only. The additional relief given in months 2 to 5 has been excluded for the purpose of this comparison.

5.14 The Council's tax base is calculated in Band D equivalents. Converting the level of discounts given in previous years into Band D equivalents can help to calculate the cost of the providing these discounts at the council tax charge in 2019/20. The average level of discounts given since 2013/14 expressed in band D equivalents along with their current value expressed as council tax foregone is shown in the table below:

Discount	2019/20 Band D Charge	Band D Equivalents	Council Tax Foregone
	£		£ million
Empty Property Discount	1,882.87	435	0.818
Uninhabitable Property Discount	1,882.87	178	0.336
<b>Total</b>	<b>1,882.87</b>	<b>613</b>	<b>1.154</b>

5.15 Council Tax income collected in the Sefton area is shared between the Council, the Police and Crime Commissioner, the Fire and Rescue Service, the Combined Authority, and Parish Areas based on their annual precepts. The table below shows each authority's share of the average cost of the empty property discounts:

	Empty Property Discounts	Uninhabitable Property Discounts	Total
	£ million	£ million	£ million
Sefton	0.682	0.280	0.962
Parish Areas	0.006	0.002	0.008
Police & CC	0.088	0.036	0.124
Fire & Rescue	0.034	0.014	0.048
Combined Authority	0.008	0.004	0.012
<b>Total</b>	<b>0.818</b>	<b>0.336</b>	<b>1.154</b>

#### Proposal to reduce the level of support for Council Tax discounts on empty homes

5.16 It is proposed that from 1<sup>st</sup> April 2020 the Council agrees: -

- To reduce the level of discount on empty homes from 100% to 50% for up to one month, and
- To remove the uninhabitable property discount.

This proposal will increase Council Tax income, remove the current more favourable treatment of empty homes, encourage better use of local housing stock, and bring the Council's approach more into line with other local authorities in the Liverpool City Region.

Description	Proposed Discount for 2020/21
Empty Property Discount	50% for up to one month
Uninhabitable Property Discount	0%

#### Impact of the proposed changes

5.17 Reducing the discounts may encourage owners of empty dwellings to bring them into use more quickly. It will also remove the advantage currently provided to empty property owners bringing them more into line with occupiers of other domestic dwellings who must pay their Council Tax in full.

5.18 Reducing the discounts will provide additional Council Tax income that can be used to support services provided for all local residents such as highways maintenance, parks, and refuse collection, as well as those services provided only to the most vulnerable members of the community such as children's and adult social care.

5.19 The discounts currently offered allow empty property owners with a period of relief from Council Tax charges. In some cases, this can encourage owners to undertake structural repairs to their properties to bring them back into use and in others it allows landlords with a short period between lets to undertake repairs. The discounts are also provided to owners moving between homes who leave their property empty perhaps because they are unable to sell or are undertaking minor renovations or redecoration prior to occupation.

5.20 Removing the 'Uninhabitable Property Discount' could discourage owners of these properties from making improvements to their properties.

5.21 Reducing the 'Empty Property discount' from 100% to 50% will affect landlords and owner occupiers who will be required to pay half the amount of council tax whilst they bring their properties into occupation.

5.22 Owners of empty homes will still be able to gain exemption from paying Council Tax if they qualify for one of the following remaining statutory exemptions:

<b>Exemption</b>	<b>Description</b>
Class B	a dwelling that has been unoccupied for up to 6 months and is owned by a charity.
Class D	an unoccupied dwelling left empty by a person who has gone to prison.
Class E	an unoccupied dwelling left empty by a person who is now resident in a hospital or nursing home.
Class F	an unoccupied dwelling forming part of the estate of a deceased person and the personal representative is waiting for grant of probate or letters of administration or less than 6 months have elapsed since such a grant was made.
Class G	a dwelling where the occupation is prohibited by law.
Class H	an unoccupied dwelling held for a minister of religion as a residence from which to perform his duties.
Class I	an unoccupied dwelling where a person has moved to receive personal care.
Class J	an unoccupied dwelling where a person has moved to provide personal care to another person.
Class K	a dwelling which has been left empty by students.
Class L	an unoccupied dwelling which has been repossessed by a mortgagee.
Class Q	an unoccupied dwelling which is the responsibility of a bankrupt's trustee.
Class R	an unoccupied caravan pitch or boat mooring.
Class T	an unoccupied dwelling that forms part of, or is situated within the curtilage of another dwelling and is difficult to let separately without a breach of planning control within the meaning of the Town and County Planning Act 1990(d).



## 5.23 Consultation

A public consultation in respect of proposed changes to Council Tax Empty Homes discounts with effect from 1<sup>st</sup> April 2020 has been conducted for a 7-week period from 16th September – 1<sup>st</sup> November 2019. Cabinet is recommended to consider the outcome of consultation before deciding to recommend to Council the proposed changes to Council Tax Empty Homes discounts from 1<sup>st</sup> April 2020.

Consultation findings and Equality Impact Assessment can be found at **Annex B**.

## **6. Proposal to Increase the Long-Term Empty Homes Premium to 200% on dwellings that have been left empty for 5 Years or more**

### 6.1 Background

Since 1<sup>st</sup> April 2013, Councils have been able to charge a Council Tax premium on unfurnished properties that have been left empty for more than two-years as a means of incentivising owners of these properties to bring them back into use. The maximum allowable premium percentage was set at 50% between 1 April 2013 and 31 March 2019.

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. Furthermore, the Council Tax system provides statutory exemptions for properties left empty for a specific purpose – for example, when a person goes into care. However, there is no statutory exemption from the premium for properties that are genuinely on the market for sale or letting. Councils also have powers to apply discretionary discounts in cases where homes are empty due to special circumstances – for example, financial hardship, fire or flooding.

The premium may be applied when a property has been empty for two years, irrespective of how long its current owner has owned it. Therefore, it is possible for an individual to buy a property which has already been empty for two years and be liable for the premium immediately. This scenario may occur if, for instance, the individual does not occupy the property immediately because they wish to extend or renovate the property. If the long term empty property is occupied for a period of 6 weeks or less it is regarded as not having been occupied for the purposes of the two-year period. Occupancy of a long-term empty property for more than 6 weeks “resets the clock” for this purpose.

### 6.2 Legislative Changes from 2019/20 onward

On 1 November 2018, the Government introduced legislation that would allow local authorities to increase the empty homes premium from 50% up to 300% over a three-year period with effect from 1<sup>st</sup> April 2019. The Rating (property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, allows local authorities to charge the following maximum amounts of Council Tax empty homes premium:

- 100% premium from 1st April 2019 on properties empty for 2 years or more;
- 200% premium from 1st April 2020 on properties empty for 5 years or more;
- 300% premium from 1st April 2021 on properties empty for 10 years or more.

These are the maximum allowable empty homes premium charges.

The Government introduced this change because there is a serious shortage of decent, affordable housing, and tackling the issue of empty homes, while also seeking to ensure that we respect the rights of property-owners, is part of the solution. There are currently more than 200,000 properties standing empty in England. As well as being a blight on the local community and attracting squatters, vandalism and anti-social behaviour, long-term empty properties are a wasted resource when 1.16 million households are on social housing waiting lists. Increasing the premium will allow local authorities to strengthen the incentive for owners of empty homes to bring them back into use.

The Government recognises that a one-size-fits-all approach is inappropriate, given that different areas will have different housing needs and different numbers of long-term empty homes. That is why they are keeping the premium as a discretionary discount, allowing local authorities to decide whether it is appropriate for their areas, and what level of premium should be charged.

### 6.3 Long-term Empty Homes in Sefton

At 31 October 2019, there were 681 long-term empty properties paying the premium in Sefton.

The application of the premium has been successful in encouraging owners to bring long-term empty properties back into use. The number of accounts paying the premium has reduced by 105 (13%) from 786 in April 2013.

Following a public consultation, Sefton Council approved an increase in the premium from 50% to 100% with effect from 1<sup>st</sup> April 2019. The aim of this increase was to encourage more empty properties to be brought back into use.

As well as charging the empty homes premium, there are other Council initiatives to help bring empty homes back into use, this includes offering advice to owners through sending regular letters and the Council's property accreditation scheme that helps empty home owners find tenants for their property. The Council's Housing Standards Team will also work with owners to bring their properties back into use. However, in some cases enforcement action is required when the property is causing a statutory nuisance and the owner is uncooperative or untraceable.

### 6.4 Proposed Changes from 1 April 2020

It is proposed that the Council further increase the premium charge from 100% to 200% for properties empty for 5 years or more in-line with the maximum allowable under the new legislation from 1 April 2020.

The aim of this increase would be to further incentivise owners of long-term empty properties to bring them back into use. This will increase the stock of available housing in the borough, which would assist in achieving the aims of the local development plan. It will also increase the amount of Council Tax income raised from those that continue to leave their properties empty.

## 6.5 Revenue Implications

The proposed change in the long-term empty homes premium from 100% to 200%, on dwellings left empty for 5 years or more is forecast to increase the 2020/21 tax base by 113.2 Band D equivalents.

This would give the following increase in Council Tax income in 2020/21:

	2019/20 Band D Charge £	Additional Band D Equivalents	2020/21 Additional Income £000
Sefton Council	1,570.30	113.2	178,000
Police & Crime Commissioner	201.97	113.2	23,000
Fire & Rescue Authority	78.84	113.2	9,000
Combined Authority	19.00	113.2	2,000
<b>Total</b>	<b>1,870.11</b>	<b>113.2</b>	<b>212,000</b>

The forecast assumes a 25% reduction in the number of homes that have been empty from longer than 5 years is achieved in 2020/21. The actual number of properties brought back into use could be higher or lower than this and will be reflected in future tax base calculations.

Any additional income raised from the increased premium will be used to fund statutory services or to keep Council Tax levels down.

## 6.6 Further Potential increases in future years

It is proposed that a decision on future options to increase the premium charged on properties that have been empty for longer than 10 years or more to 300% from 1 April 2021, be deferred until a future year pending a review of the impact of the increase proposed in Section 6.4

## 6.7 Consultation

The Cabinet is recommended to consider the outcome of the consultation before deciding whether to recommend to Council the proposed further increase in the long-term empty homes premium from 1st April 2020.

Consultation findings and Equality Impact Assessment can be found at **Annex C**.

**SETTING THE COUNCIL TAX BASE FOR 2020/21**

**1. Setting the Council Tax Base**

- 1.1 The Council Tax Base is the link between the Council's budget and the level of Council Tax. The tax base will be used to calculate the Council Tax in Sefton, once the Council's budget has been agreed. The Council is required to calculate its own tax base as well as the tax base for each parish council within its boundary and have them approved by the 31 January 2020.
- 1.2 The calculation of the Council Tax Base takes into account many factors such as the rate of new building and the trends in people living on their own (Sole Occupier Discount).
- 1.3 The tax base calculation assumes a collection rate of 98.25% in 2020/21, which is unchanged from 2019/20. This reflects long-term collection rates.

**2. Council Tax Base for Sefton Council in 2020/21**

- 2.1 An analysis of the changes between the 2019/20 and the 2020/21 tax base before any of the proposed changes to discounts and premium is provided in the table below:

Tax Base for Sefton Council		Band D Equivalents		
		2019/20	2020/21	Change
H	<u>Chargeable Dwellings</u>			
	Dwellings on the Banding List	110,567.1	111,059.3	492.1
	Exempt Dwellings	-1,886.3	-2,134.1	-247.8
	Disabled Persons Reductions	-148.3	-149.6	-1.3
		108,532.5	108,775.6	243.1
Q	<u>Discounts</u>			
	Sole Occupier & Status Discounts	-9,937.1	-10,092.1	-161.1
	Empty Property Discounts	-194.0	-229.0	35.0
	Total	-10,125.0	-10,321.1	196.1
E	Empty Homes Premium (50%)	513.8	515.6	1.8
J	<u>Adjustments</u>			
	New Dwellings on the Banding List	199.8	309.7	109.9
	Banding Reductions	-221.0	-166.6	54.4
	Exemptions, Discounts, & Premium	-820.9	-654.8	166.1
		-842.1	-511.7	330.4
Z	Council Tax Support Scheme	-12,512.5	-12,567.8	-55.3
B	Collection Rate Adjustment	-1,497.4	-1,503.1	-5.7
	MOD Properties	8.0	8.0	1.0
	<b>Council Tax Base (Option 1)</b>	<b>84,077.3</b>	<b>84,395.5</b>	<b>318.2</b>

2.2 The main reason for the changes in the tax base under Option 1 are:

Dwellings on the Banding List: The number of properties on Banding List has increased by 519 (0.4%) in the year.

Exempt Dwellings: The number of dwellings subject to a specific exemption (Class A to W) have increased by 250 (10.9%). The largest increases were in the number 'dwellings left empty by deceased persons' (Class F), 'dwellings where occupation is prohibited by law' (Class G), and 'dwellings occupied only by a severely mentally ill person or persons' (Class U).

Discounts: The number of dwellings receiving a single occupancy discount has increased by 709 (1.5%).

Adjustments: A higher level of growth has been forecast in 2020/21. A lower level of changes to exemptions, discounts and premiums is forecast in 2020/21.

Council Tax Support Scheme (CTRS): The reductions in claimant numbers in 2019/20 has been lower than forecast. The value of CTRS discounts used in the 2020/21 tax base calculation reflects the value recorded on 31 October 2019. No further reductions have been assumed.

2.3 Proposed changes to empty homes discounts and premium.

Elsewhere in this report, Council are asked to consider three changes to (1) empty homes discounts, (2) uninhabitable property discounts, and (3) long-term empty homes premium. The forecast impact of these changes is shown in the table below along with the revised tax base if all three are approved.

Impact of Proposed Changes		Band D Equivalents		
		2019/20	2020/21	Change
(i)	<u>Empty Homes Discount</u> Reducing the discount from 100% for 1 month to 50% for 1 month.	n/a	217.6	217.6
(ii)	<u>Uninhabitable Discount</u> Removing the current 50% discount.	n/a	178.1	178.1
(iii)	<u>Empty Homes Premium</u> Increasing the premium from 100% to 200% on homes left empty for 5 years or more	n/a	113.2	113.2
<b>Council Tax Base (Option 8)</b>		<b>84,077.3</b>	<b>84,904.4</b>	<b>827.1</b>

## 2.4 Alternative tax base options

The three proposed changes give rise to eight possible tax base options depending on which of the proposed changes (if any) are approved. The potential tax base options are summarised below:

	Change Approved?		
	(i) Empty Homes Discount	(ii) Uninhabitable Discount	(iii) Empty Homes Premium
Option 1	No	No	No
Option 2	Yes	No	No
Option 3	No	Yes	No
Option 4	No	No	Yes
Option 5	Yes	Yes	No
Option 6	Yes	No	Yes
Option 7	No	Yes	Yes
Option 8	Yes	Yes	Yes

The relevant tax base calculated under each of these options is shown below:

Option	Tax Base (Band D Equivalents)	Option	Tax Base (Band D Equivalents)
Option 1	84,395.5	Option 5	84,791.3
Option 2	84,613.1	Option 6	84,726.3
Option 3	84,573.6	Option 7	84,686.8
Option 4	84,508.6	Option 8	84,904.4

## 3. **Council Tax Base in Parish Areas for 2020/21**

3.1 There are also new tax base figures for each parish area in 2020/21. The following table provides details of the new tax base for each parish under all 8 options:

Parish	Tax Base (Band D Equivalents)				
	Aintree Village	Formby	Hightown	Ince Blundell	Little Altcar
Option 1	2,063.0	9,163.1	870.6	169.5	332.1
Option 2	2,067.7	9,180.5	872.1	169.7	332.6
Option 3	2,069.5	9,182.4	871.6	170.3	332.7
Option 4	2,066.1	9,169.0	870.6	169.5	332.1
Option 5	2,074.2	9,199.8	873.1	170.5	333.3
Option 6	2,070.8	9,186.4	872.1	169.7	332.6
Option 7	2,072.6	9,188.3	871.6	170.3	332.7
Option 8	2,077.3	9,205.7	873.1	170.5	333.3

	Tax Base (Band D Equivalents)				
Parish	Lydiate	Maghull	Melling	Sefton	Thornton
Option 1	2,063.5	6,721.8	1,007.7	234.6	785.5
Option 2	2,067.7	6,737.3	1,009.6	236.0	787.4
Option 3	2,067.8	6,736.1	1,009.5	235.8	786.9
Option 4	2,063.5	6,736.7	1,010.9	234.6	785.5
Option 5	2,072.0	6,751.6	1,011.4	237.2	788.8
Option 6	2,067.7	6,752.2	1,012.8	236.0	787.4
Option 7	2,067.8	6,751.0	1,012.8	235.8	786.9
Option 8	2,072.0	6,766.5	1,014.7	237.2	788.8

- 3.2 The tax base calculation for each of the parish areas is based on the same assumptions made in the calculation for Sefton Metropolitan Borough Council.

**Changes to Council Tax Empty Homes Discounts Consultation Findings**

**1. Background**

- 1.1 A public consultation ran for 7 weeks from 16<sup>th</sup> September 2019 to 1<sup>st</sup> November 2019.
- 1.2 The consultation requested views on two proposals: -
- A proposal to reduce the discount on uninhabitable properties for a period of 12 months from 50% to 0% from 1<sup>st</sup> April 2020
  - A proposal to reduce the discount for the first month a property is empty from 100% to 50% from 1<sup>st</sup> April 2020.
- 1.3 The consultation was available online and by paper form to download where required. Direct mailing was used to contact all Council Tax payers currently in receipt of the discounts, landlords of properties in Sefton and the consultation was promoted internally through the service, including the Council's Empty Homes Team.
- 1.4 Letters about the consultation were also sent to various stakeholders including private and registered social landlords, owners of properties registered as uninhabitable and the major preceptors Merseyside Fire & Rescue Service, Merseyside Police and Crime Commissioner, and the Liverpool City Region Combined Authority.
- 1.5 Information about the survey was also available at Sefton Council libraries and One Stop Shops. The Council also promoted the consultation on its website, intranet, via a press release and its social media.
- 1.6 The aim of the survey was to ensure that the views of those Council Tax payers affected, other stakeholders and members of the public are considered before the decision is made to implement the proposed changes to discounts from 1st April 2020 and that any exceptions to the premium be considered.

**2. Consultation Options**

- 2.1 The options consulted on were as follows,

**Survey Question 2** How strongly do you agree or disagree with the proposal to reduce the Council Tax discount on uninhabitable properties for a period of up to 12 months from 50% to 0% from 1<sup>st</sup> April 2020?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree



**Survey Question 3** How strongly do you agree or disagree with the proposal to reduce the Council Tax discount for the first month a property is empty from 100% to 50% from 1<sup>st</sup> April 2020?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

**Survey Question 4** Do you have any additional comments relating to these proposals?

### 3. **Analysis of survey results**

3.1 In total, there were 216 responses to the on-line consultation and 2 were received via e-mail. The overall response is relatively substantial for proposals that only affected 613 properties at the time of the survey.

3.2 Survey Question 1 asked respondents to identify the capacity in which they were responding to the survey. A summary of the responses is listed in the table below:

A member of the public	182
A landlord of a property in Sefton that is empty	16
A landlord of a property in Sefton that isn't empty	26
The owner of a property in Sefton that has been declared uninhabitable	18
An elected Member	0
A local business owner	8
No response provided	0

### 3.3 **Responses to questions**

**Survey Question 2** How strongly do you agree or disagree with the proposal to reduce the Council Tax discount on uninhabitable properties for a period of up to 12 months from 50% to 0% from 1<sup>st</sup> April 2020?

Option	Responses	Percent
Strongly agree	92	42.20%
Agree	29	13.30%
Neither agree nor disagree	5	2.29%
Disagree	20	9.18%
Strongly disagree	72	33.03%
No response provided	0	0.00%

A summary of responses to this question is as follows:

Strongly Agree/ Agree	Neither agree / disagree	Disagree / Strongly disagree
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121	5	92
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**Survey Question 3** How strongly do you agree or disagree with the proposal to reduce the Council Tax discount for the first month a property is empty from 100% to 50% from 1<sup>st</sup> April 2020?

Option	Responses	Percent
Strongly agree	66	30.28%
Agree	30	13.76%
Neither agree nor disagree	12	5.50%
Disagree	18	8.26%
Strongly disagree	92	42.20%
No response provided	0	0.00%

A summary of responses to this question is as follows:

Strongly Agree/ Agree	Neither agree / disagree	Disagree / Strongly disagree
96	12	110

### 3.4 Respondents Additional Comments

**Survey Question 4** asked respondents ‘Do you have any additional comments relating to these proposals. 117 respondents to the survey made additional comments.

3.4.1 In response to **Survey Question 2** on the proposal to reduce the discount on uninhabitable properties for up to 12 months from 50% to 0%, responses were analysed for recurring themes that are summarised in the following tables.

Response	Affordability for bills or renovation	Discounts no longer affordable for Council	Empty homes do not receive Council Services	Other Comments
Strongly Agree	5	2	0	13
Agree	1	0	0	6
Neither Agree /Disagree	1	0	0	1
Disagree	5	0	1	7
Strongly Disagree	24	0	9	14

Response	Will encourage sale or rent	Will encourage renovation	Will discourage renovation
Strongly Agree	7	14	7
Agree	1	0	1
Neither Agree /Disagree	1	1	0
Disagree	0	0	1
Strongly Disagree	0	0	6

3.4.2 In response to **Survey Question 3** on the proposal to reduce the discount on empty properties empty for up to one month from 100% to 50%, responses were analysed for recurring themes that are summarised in the following tables.

Response	Affordability for bills or renovation	Discounts no longer affordable for Council	Empty homes do not receive Council Services	Other Comments
Strongly Agree	3	2	0	5
Agree	0	0	0	1
Neither Agree /Disagree	2	0	0	3
Disagree	4	0	0	3
Strongly Disagree	27	0	10	29

Response	Will encourage sale or rent	Will encourage renovation	Will discourage renovation
Strongly Agree	16	10	5
Agree	2	3	2
Neither Agree /Disagree	2	1	1
Disagree	0	0	6
Strongly Disagree	0	0	6

3.4.3 Full responses from those who Strongly Agreed or Agreed with the proposals are shown below.

- I think this will encourage people to sell long term homes.
- Other councils such as in the Blackburn area have a 100% discount for the first 3 months, after this time is it should go to 50% for the rest of the year. If a property becomes empty it is impossible to do repair work, assess new tenants and get it rented to a new a new tenant in one month, Liverpool council are ripping off good intention Landlords. If a property is empty for more than a year then the Landlord may have no intention of renting and is ripping off the system and Liverpool council, possibly waiting for property prices to increase before selling, so after a year there should be no discount and full rates should be paid. The present system is just not fair on good Landlords,
- discount at 0% for the first month would possibly encourage remedial work to be carried out asap
- As an accredited landlord of two flats that I rent out very quickly due to my high standards it is very difficult to let within one month as I only advertise and allow viewings once tenants have moved out and often there is maintenance and refurbishment required. Therefore I feel one month at a discount of 100% is fair in allowing landlords to find new tenants as quickly as possible

- As a landlord, the one month grace period ensures you redecorate and refurbish for the next tenant, thus improving quality.
- If the council tax discount is not available landlords will be forced to rent out immediately and at to the decline of the housing stock.
- Landlords who allow property to fall into disrepair is a blight on local communities and they should not receive any benefits for allowing good property to fall into disrepair
- As someone who lives next door to an uninhabited property I feel very strongly about this. The house and garden is an eye-sore which affects my house. But it could be a lovely family home for someone who really needs it and be proud to take care of it. The owners just don't care and there's no incentive for them to sell or repair especially with current council tax rules.
- This is a fantastic was for building owners to get there buildings back up and rented or sold on, I do believe if a retail unit is empty the rates should be hired to ensure the owners get the units rented out again ASAP. If a new store is to open in a unit above 10k annual rates they should get 3months free rates to help encourage company to the town.
- Reducing the empty property discount for the first month will cause distress and hardship for relatives of people who have just died. My father lived alone and died unexpectedly. It was hard enough dealing with the funeral arrangements without having had to worry about finding the money for Council Tax. The initial grace period was welcome and gave breathing space to sort out financial arrangements.
- We have had the benefit of these discounts but it was while we planned a refurbishment which is different than a property that is just abandoned. If someone can prove they are planning a refurb, or in the process of moving in, I think a discount is reasonable. Otherwise no discounts should be given. Properties should not be allowed to deteriorate or remain empty unless there are extreme circumstances. It can impact the quality of life of the neighbours & bring an area down.
- What about business premises? Land left i.e. Crown Buildings
- In response to Q3. I think you should reduce the empty property discount to 0%. It seems contradictory to charge a premium on long-term empty properties and at the same time offer a discount on short-term empty properties. There is a housing shortage in this country so it makes no sense to offer a discount that encourage owners to leave their properties empty, even for 1 month. The owners will still expect their bins to be emptied and the roads to be maintained so they should make a full contribution to the cost of local services. In my experience empty homes are a magnet for antisocial and criminal behaviour, all home owners should pay the full council tax to encourage them to occupy as soon as possible.
- Empty properties are not well maintained and bring the area down. They should be sold or rented - there is plenty of demand in most areas!

- Stop people saying they are not living while renovating. Try 35 pr98na. Noisy get, working gone midnight!
- Q2) Reduction in Council Tax discount should surely remain in place until the property is either disposed of or until it becomes habitable and occupied.
- Q3 My definitive response to this would depend on what happens after the first month that the property is empty. Reductions in CT discount should be progressive until the property becomes occupied.
- All measures should be considered to get empty properties back into use to help with the shortage of houses.
- Past generosity cannot be sustained in the face of Central Government policy.
- Properties may be empty for family reasons...such as Caring for a family member who has a terminal illness or change of work circumstances or personal illness can mean that people cannot take up or resume residence. The home is temporarily but indefinitely empty. To add a further financial burden would be unfair and unkind. Better ways to raise revenue which is presumably what this about. Uninhabitable properties need a different approach depending on the reason for the decay. It has to be case by case policy and not a blanket rule.
- I recognise as a landlord this increase may affect me in the future should my property become empty BUT I believe that this change is needed to support our communities living near empty uncared-for properties.
- If you can afford to be lucky to have 2 or more properties you should be able to afford the Council Tax in every property.
- I think people who have left property to go to rack and ruin and have not made any efforts to renovate etc should have to pay full council tax. However I was a one property landlord. My tenant (a Sefton council early help worker) wrecked the place and left with 9 months still on the tenancy. Cost me thousands to fix. I had the property on the market within 6 weeks but still had to pay the council tax even when the sale was going through. I think it's unfair if a property is on the market and discount should be based on circumstances especially when a landlord has been left seriously out of pocket.
- Need to penalise owners financially to incentivise them to progress actions to use house for purpose intended
- I think this is a great idea that will encourage landlords to actually take care of their properties & keep houses that could be used to home people, to a better standard
- Council tax reduction should not be applied to any empty property full stop. Homes that are looking for a tenant should also be subject this to prevent landlords demanding higher rents. All homes should increase 100% year on year if left empty homes are for living not an asset to accumulation of wealth.
- I feel the current fees do not allow people to up these homes to live in due to the high costs

- There will be cases where paying the whole Council tax will not be appropriate so there needs to be some flexibility
- Near me there are 2 empty houses, one is an eyesore & is inhabitable & the other has been empty for about 20 years & could easily be lived in again. The owners should be encouraged to act & get them sold so other families could live in this attractive area. Cutting council tax subsidies might influence the owners to offload their properties.
- People who own empty properties in state of disrepair should be forced to maintain them or give them up too many ruining neighbourhoods owned by individuals at other side of country who can't be bothered with or care about them
- Start charging rates on Charity shops - they're the ones that can afford it !!!
- I Think people who own a house should pay council tax. People should not pay council tax only in exceptional circumstance.
- If a landlord is doing major redevelopment work to the property (in order to significantly improve it for prospective tenants), then the property could be inspected by council officials (as has been done in the past) and a date given when the property MUST be brought back into use and the discount will stop (if longer than 1 month). Without this as an option landlords could be forced to house tenants in unfit properties.
- I strongly agree that criteria would need to be met and landlords leaving empty properties for lengthy periods should pay the full council tax.
- 1 month is long enough to fill a house once previous tenants leave.
- There are far more empty homes than are suggested in your discount figures. Some in PR9 have been empty for at least five years, you should be bringing these back into use before building new
- residents should be given at least one month's grace in respect of a deceased member of the family , resulting in an empty property
- There are so many reasons that a property may be empty that I think a month of 100% discount is reasonable. In general I am in favour of helping owners to get their properties back in use but would like to see some discretion being applied. e.g. if the owner is unwilling to upgrade or is mothballing a property until property prices rise they should not have a discount, but if there has been some serious damage to a property it may well take a year to get it habitable again. Would this loss of discount apply to a property that has been flooded out, for instance?
- As a landlord with 200 units in Southport, I'm appalled by the proposal that properties empty for up to a month will have to pay CTAX. The month is important to us between tenancies in order to do maintenance and upgrading to our properties. This proposal could well lead to a rush to fill and consequent lowering of housing standards. It gives us no time to properly check on applicants and is therefore a further back door tax on landlords. We already have had substantial national tax rises brought in by George Osborne,

followed by additional licensing locally. Most private landlords I know are desperate to get out, this proposal could be the final straw. There would be consequences for Southport in that there is already a shortage of decent accommodation especially at entry level, we currently operate at 94 per cent occupancy. We need capacity in order to attract young people to live and work in the town. I fully expect widespread non reporting of vacancies with large increase in Council staff to police and enforce the new regulation.

- 1 month @ 100% is fair and not period of grace would be unreasonable. Given that the property owner has fairly paid CT previously its fair to give this period of grace, one of the ever dwindling reliefs that hard working tax payers receive.
- For empty houses consider keeping the 100% discount for 1st month if it is empty because it has recently been sold to be inhabited by the owner. (Possibly empty if work needs to be carried out or awaiting refurbishment)
- Any property left empty for more than 12 months should be compulsory purchased and sold for refurbishment.
- Paying 100% council tax myself, I find it difficult to stomach that people are being allowed to 'hold on to' property, receive a discount and not do anything to bring the property into use. I'd go further and take the property off them if empty for more than 12 months. South Sefton is becoming derelict because of this
- This action will open the way for more houses available to be sold to ease the lack of housing
- First one I absolutely agree with. Second one I think the landlord perhaps needs a month to prepare a property and source another tenant in. The landlord will only pass any charges onto the next tenant. Unless you can prevent this why penalise tenants?
- Should give people 3 months at no charge to sort their affairs out. six months at 50% then no discount.
- Hopefully this will help move owners of empty properties into a position to sell properties on which can be redeveloped which in the long term will help reduce the housing waiting list.
- We have ended up with 2 properties due to house sale falling through and having to pay 2 lots of council tax and it is crippling me been paying over 300 a month and on low income
- House opposite me in Bootle empty for at least 10yrs + almost derelict. Shouldn't be any incentive to leave houses empty when councils are using B&B accommodation. I'd double the charge.
- I don't think there should be any empty property discounts. Gives the wrong signal
- Make landlords responsible by reducing the discounts

- Ensure that these developers that buy old houses cheaply to do up and sell on for a large profit should be given a reasonable completion date and if not sold or completed by that date charge them full council tax.
- There should be a maximum time limit on properties which are left empty awaiting probate There are cases where houses are empty for over 30 years and have still not been probated despite their owner passing away in the mid 1980's
- This will encourage those that have an empty property to take some responsibility for the upkeep. As someone who has lived next door to an empty property for 4 years, it is awful
- If you own a property you should still pay Council Tax on it.
- If people have purchased uninhabitable properties with the intention of doing them up to move in to they do not need additional cost of council tax. They are likely paying council tax elsewhere whilst they do up the property. I believe reducing council tax on uninhabitable or empty properties is a way of helping property owners bring their property into a habitable state quicker.
- I think that they disproportionately affect the owners because they would pay a great amount when others who cost the community so much more aren't made to pay . It is very wrong. The burden of cost will bring worry and hardship to many. You take choice from such people who may have personal reasons for not selling a property.

#### 3.4.4 Full responses from respondents who Disagreed or Strongly Disagreed with the proposals are shown below.

- The one month discount should be removed completely.
- The uninhabitable discount should not be removed. How can you charge for a property that has no roof, no wall or is unsafe and undergoing structural works to return the property to a safe standard for habitation?
- Strongly disagree with removal of uninhabitable discount.
- Morally questionable to charge for an unsafe property.
- This penny pinching money grabbing action may force people to occupy an unsafe dwelling with dangerous consequences.
- We have taken on a property that cannot be bought by a mortgage which takes a lot of money to transform to be habitable again no council tax can be obtained till property back in circulation so would be harsh to charge full rate agree with 50% feel that is fair
- People moving into empty properties already have a lot of expenses and reducing discount would not help them at all.
- You say you want to create an incentive to property owners to occupy/tenant their properties but if no uninhabited discount whilst the work is done is available, what incentive is there in that? May as well just not rush at getting



the work done, leave it empty for 2yrs and then furnish it. Unless you're a landlord wanting rent.....

- The discounts are a helpful financial support for those renovating properties that are not in a liveable state and therefore should remain.
- Landlords are already being penalised as the property is empty, with no income. This will make it worse. Also, services used are very few, so landlords would simply be subsidising others.
- Flooding and uninsurable risk can render properties uninhabitable. Who can afford insurance and who can afford Council Tax? Perhaps the Waspi women would have something to say about money grabbing officials. Pay the pensions due then let's discuss further.
- Owning a property that I let out, I find it very frustrating that I have to pay council tax on the property if it is uninhabited. Fair enough if I was just allowing the property to sit empty, but once empty it gets renovated and goes back on the market immediately, this period should be discounted at 50% or more, as this inhabited state is out of my hands.
- I strongly disagree as my home has been uninhabitable for the last 12 months and so I'm living with my parents still I'm not using all local services e.g. rubbish collections.
- Properties are empty for various reasons. It should not be an automatic process. Feel this would probably impact lower income families rather than those on higher incomes.
- From personal experience, when a loved one dies and subsequently leaves a property empty, there are many things to pay for like funeral expenses. At least having 100% council tax reduction gives some release of pressure.
- The council should offer a longer discount to homeowners who leave their home empty for a period of time if there are certainly circumstances e.g. the house is for sale or rent, or are undergoing significant renovations or building works that prevent the owners living there.
- For owners with properties that have been empty for a long period they should receive support to encourage them to take the next steps to move towards sale, renovation or rental.
- I think there are differing sets of circumstances. My own experience of this was when my mum died in 2014 – it took me several weeks to clean out her home and eventually put it up for sale, and another 8 months to sell it. I'm glad I didn't have the additional burden of council tax during this time and feel sorry for anyone in future in this position if this proposal goes ahead. That said, there may be instances of profiteering landlords who take advantage on the system. I don't know how you could differentiate.
- Councils are going too far with these measures. No welfare considerations of situations, difficulties people may have regarding homes whether uninhabitable or unoccupied. Far too many crass, unloving assumptions being made. Councils are now seen as greedy and behaving in authoritative, uncontrolled

way without any consideration for those that employ you. This will in the end lead to a demise of control and loss of funds,

- Hello, Its simple. If you want the rental housing stock to be kept in good condition then don't penalise the people trying to do it. Find a way to give Council tax relief to Landlords who refurbish property between tenants either as a simple repair and redecorate, or a substantial refit.
- We are in the process of renovating a property and have to wait to put our house up for sale until it is virtually habitable, as we are paying full council tax at our existing property within the same council area this has helped us greatly only having to pay 50% , we cannot claim back our stamp duty funds until we sell our existing property and begin to live in the renovated property.
- I think it is unfair to have no discount on properties that can't be lived in. Usually there will be a reason that is only temporary so offering some discount for a short period seems fair (as I'm sure money is having to be spent to get the property back to a living state) rather than nothing at all!
- I buy houses that are in need of total renovation and make them into lovely family homes. I have used the 50% discount on Ctax twice in 2 years and the property goes from the ugliest house in the road to the best. I usually turn them around in 6-7 months, never need the full 12 months discounts. But with legal fees, estate agents' fees, and the big one stamp duty it is becoming almost not worth developing the properties anymore. adding more and more expense will put off improving homes and NOT do what you are trying to achieve by improving vacant homes.
- As a Private Landlord we are seen as an endless source of revenue for the council. New legislation has been introduced which entails most of our properties have to be licenced. Not only do I have to pay for the privilege of having a licence, the works that have to be carried out in order to comply run into thousands with no hint of grants to carry out these works. It is now prevalent for Tenants to leave the properties in such disorder it takes at least a month to make them habitable again. This is another expense we are having to deal with as I am sure are Housing Associations and your own Housing Stock. As Landlords we provide vital housing but it is becoming more and more difficult with the added costs which just keep coming with no increase of Housing Benefit to meet the rents.
- I fully understand what the Council is trying to do. But it is very important that the Council is firstly satisfied that the discount is GENUINE if not then NO discount simple!
- This is penalising everyone with the poorer being hit the hardest. Struggling landlords are hit badly but even those with homes that are trying to renovate and make a nice home for themselves, it is not acceptable to reduce discounts so heavily when the costs would shoot up so much higher. It's not even a slight increase in costs, it's huge. Not all landlords have lots of cash and definitely not all home owners. Properties can be empty or uninhabitable for many reasons. Particularly if cash runs out for renovation etc on a home or rental flat. Or a sale has fallen through of an empty property. I have lost

thousands in council tax costs for the reasons above and I'm not wealthy at all. It's a very damaging new law to bring in and hits everyone not just the rich.

- Have you seen the carnage in the high streets? Recession looms. Private landlords are underpinning housing need. Between the local authority charging full rate for an empty property (do not insult our intelligence by arguing it benefits from the same LA services, it does not, because it is empty) and the government stealing what was a genuine tax relief on mortgage interest payments, you are killing the viability of renting for many small private landlords and also driving rents up. I suggest you take a stroll down Lord Street, Southport. Once a jewel in Sefton's crown. And hang your heads in collective shame.
- It is not always easy to find a suitable tenant straight away after one tenant moved out - people have to give notice on their current properties before taking on another! When the property is empty none of the services are being used and therefore the property owner is being charged twice for council tax and this is unfair! If anything a longer discount should be given than just one month on an empty property!
- If you have no idea of the circumstances as to why the property is uninhabitable then this is just blindly punishing genuine people
- Have to be careful not to make it desirable to leave properties empty so people can use this as an effective tax loophole
- In my opinion if a property is suffering from structural issues and/or needs a full refurbishment then these should be given the 12 months free. The person involved in purchasing this property whether it be a new purchaser or landlord is taking all the financial risk and won't be living in the premises. It is outrageous to charge them council tax whilst they are renovating a rundown building and it stinks of greed from the council once again.
- What services are you actually providing to an empty property where you need to charge?? I do agree with charging if a property is long term empty say 6 months or more but not whilst someone is making an effort to breathe life into a property and community.
- The current discount supports landlords to find new tenants, repair properties after poor tenants or to have time to sell a house. I was forced to rent my property as it is negative equity. I do not make a profit on it. The area the house is in is poorly maintained by the council and surrounded by anti-social behaviour, therefore unattractive to a buyer. I rely on the discount during transitional times.
- If a tenant leaves the process of finding a new one and referencing (especially if there is a problem) can take 8 weeks. Renovations are required to meet safety regs and provide nice places to live - you may have to wait for trades or decide not to bother. If you buy somewhere to renovate and bring back into use, planning and trades can take ages. So it's another in a series of landlord bashing taxes. Another rental property likely to be lost from the market. Or of course I increase the rent. I cannot absorb anymore.

- I never got any discount after the first month of my flat being empty even though it was uninhabitable. The officer that came to look at it smugly said he could have it ready to use in a few weeks. No allowance for the fact that I had not received any rent for 6 months because of Universal tax credits then tenant died so I didn't get a penny and now I am struggling to find the money to make it habitable. How does charging full tax help a landlord get a flat ready to use again ????
- Inherited a flat. We are pensioners and have difficulty selling due to housing association part owner.
- Previous owner paid no council tax. We have difficulty making payments through no fault of ours
- Think it unfair that someone has to pay Council Tax if no one is living in a property and are therefore not using many of the services the Council Tax pays for.
- I am part owner of a property that is inherited from my parents, it has just been put into our names 22 months after the death, it has now been put up for sale but the agents are having little response. The problem with empty properties is Solicitors dragging their feet for little work to try to justify their fees, similarly with Estate Agents.
- Most good landlords will endeavour to fill their properties to gain the rent. This usually takes about 3 months on average due to property maintenance following a tenant's departure and the usual security and credit checks etc. Pay 50% council tax is not large burden in the short term.
- However is the property required a lot of repairs following a tenant's departure as some are not very house proud it could take up to 6 months to get the property straight again so while the property is undergoing those repairs then reducing it to 0% would be a welcome benefit. After 6 months most landlords will have endeavoured to get the property filled again.
- We own a 'Listed' Thatched cottage that requires a complete new roof and other essential work. Sefton's Planning Department has taken over six months to grant permission to do the repairs, thus losing half of the 12 months discount! Due to the 'Listing' requirements, the roof has to be re-thatched, and there are only two Master Thatcher's in the North-West of England. The Thatcher we have engaged to do the work, Wayne Halfpenny from Manchester, has a long waiting list of up to three years, and we are now caught up in a lengthy situation through no fault of our own. **THIS IS AN EXAMPLE OF WHY YOUR NEW PROPOSALS MUST INCLUDE PROVISION FOR EXCEPTIONAL SITUATIONS SURROUNDING RARE PROPERTIES OF THIS KIND.**
- Once the cottage becomes habitable, our daughter will be moving in, thus releasing her own family home to be sold and provide additional accommodation in Sefton.
- Surely this is discriminatory against landlords and could be challenged in the courts?!! Landlords don't need additional "incentivising". This is just a cynical

attack on landlords who are a group that do not usually get any sympathy from the general public who perceive them as fat cats raking in the cash (which just isn't true in 99.9% of cases, most landlords only have one property and are often accidental landlords at that).

- Landlords provide a valued service and should be supported and not targeted or discriminated against by the authorities. If the government funded housing properly there wouldn't be much of a need for landlords! The authorities (both central and local) should be supporting landlords, not continuing to make their lives ever more difficult and unsustainable. What make you think people can afford to extensively renovate and fix up a property which is otherwise uninhabitable?
- Having the uninhabitable discount allows owners to invest the money in making the property habitable sooner, rather than paying full council tax
- The circumstances as to why properties are uninhabitable are not always straightforward. What about fire or accidental damage, flooding etc.? Charging Council tax immediately would add to the burden. What about landlords where tenants vandalise properties when they leave? Properties that are proving difficult to sell. Charging Council tax immediately in these instances is unfair. It's fine to charge 200%+ where someone is deliberately keeping a property empty, but this would surely be the exception, not the normal. Each case should be decided on its own merit, not an inflexible 'one rule for everything'
- Any residential purchaser will suffer here whether it is making a property habitable to move in to or awaiting a purchaser after a house move. First time buyers will suffer as will anyone else trying to better themselves. It took me 6 months to make my house habitable.
- no 3 when a tenant gives months' notice to leave I advertise the property and hopefully get a new tenant however I cannot get a new tenancy agreement signed until the old tenant has actually vacated because if they don't I have nowhere to house the new tenant. the new tenant may have to give his current landlord a months' notice and therefore my property is "empty " for that month. reducing c/tax to 50% in those situations is rather unfair. with regards no 2 if the property is being advertised for let some discount should be allowed
- I am trying to sell my late mother's flat. It's not sold for over one year and shortly I will have to pay 200% Council Tax on it if it doesn't sell. Doesn't seem fair
- Only in the event of fire on family home rebuilds should discounts be applied. Landlords should not benefit from reductions. Single occupant should receive more discounts due to reduced demand on services
- After a tenant leaves it is not always possible to re let a property or sell a property to get it back on the housing stock within 3 months. The old rule of 3 months discount was much fairer particularly now that it so prolonged to get an eviction through the courts if needed.
- Empty council properties are they costing the tax payer in higher council tax fees.

- Removing the discount will force landlords to put properties back up for rent straight away when tenants leave at the end of tenancies. Not allowing them to opportunity to carry out upgrades & refurbishments, this in turn will reduce the quality of the rental housing stock in the borough. At a time when there is lack of rental housing in Sefton you should be offering the PRS tax breaks not removing them. this will ultimately end up with landlords to selling up. This will increase the burden on the council who will have to pay for more hotels and B&Bs for temporary accommodation for residents who have no alternates to social housing.
- As a landlord of 5 properties I obviously want my properties occupied, BUT, when a tenant leaves I think it's unfair to make a landlord pay council tax immediately as obviously I need to do repairs, redecorating and find a new tenant.
- This can sometimes take a few months to do properly. I think 3 months is fairer. But I think properly that are left empty for more than 12 months should be charged double council tax.
- I have personally experienced having an uninhabitable property after suffering a burst pipe in the loft right down to the ground floor of my property. I had to vacate my home whilst works were carried out which took a lot longer than originally predicted. I think it would be unfair to cancel the uninhabitable discount.
- I do not think that the uninhabitable discount should be reduced to 0%, as this would not encourage a prospective owner to buy a dilapidated property to do up and bring back in use. Perhaps consideration could be given to reducing the length of time from 12 to 6 months.
- Council Tax is expensive enough.
- If a property is uninhabitable, not just vacant, I can't see the rationale in charging Council Tax on it. No services would be provided to the property so what would the charge be for? I know of at least one person whose home was flooded and had to be gutted and dried out before renovation was possible. In this scenario would Council Tax be charged in future? It would not improve the speed of repair or encourage quicker occupation of the property. On the second point, if a rented property becomes vacant it surely isn't always possible to find a new tenant within just a few days? I think the existing arrangement is already too punitive. It seems the Council are looking for ways to make easy money rather than encouraging occupancy of vacant properties.
- As an independent landlord I feel it is wrong to suggest there would not be a reduction if a home is undergoing major repairs making the property uninhabitable. As a landlord we have a duty to ensure any property is upkept to a good standard yet if we choose to invest in doing so we would be further penalised by charges for council tax services we would not be utilising due to the property being empty.
- Charging for services that would not be used in an empty property is unfair when you choose to act in good faith and invest in a property for somebody

else to make a comfortable home in. It would encourage unscrupulous landlords to delay carrying out essential repairs knowing they would be penalised in such a way with further charges.

- I have been a landlord in the past and understand how difficult it can be to organise a new tenant to go straight in following the vacation of the previous tenant.
- It needs to be considered that not all tenants leave a property in a fit state to re let immediately.
- it also needs to be considered that RSL's are often not for profit and charging for empty properties will make it an increasing cost that will reduce the available money for repair, and the ability to keep rents low.
- Private landlords will just pass the cost on to tenants, who are already struggling in an increasingly expensive market.
- People should be given a reduction to help them fund renovation projects, the property would become habitable quicker. Landlords usually have to redecorate after a tenant leaves.
- These proposals will be highly detrimental to disadvantaged/low income people. Example: family on low income who inherited an empty uninhabitable house (no usable kitchen or bathroom facilities for a start) when the father of one of them passed away, moved into the property (freeing up their previously rented accommodation and no longer needing to claim housing benefit), but could only do so after major works were carried out to make it habitable (it took about a year to get it all sorted). They didn't have the funds to make this happen quickly and wouldn't have been able to do it at all if they'd had to pay full council tax during this period.
- Owners may not have funds to repair uninhabitable properties. An additional financial burden makes it more likely they will walk away. (An empty property doesn't cost the council anything as no services are provided).
- A month isn't very long, and a property can easily be empty for that time between owners. Again an empty property isn't costing the council anything as no services are provided.
- We have recently been unfortunate enough to have been "had over" by a very unscrupulous tenant who abandoned the property in a distressing state after failing to pay her rent and causing us to regain possession via the courts. We are significantly out of pocket, despite only ever acting in good faith, and on top of the loss of rent and legal fees we have had to invest heavily in the property to make it habitable again. Whilst the tenant is not directly to blame for the fact that the kitchen and bathroom were a bit dated and the house was in need of some upgrading, she was certainly the catalyst that made all the work essential at this time rather than in stages, over time and in a planned and budgeted for manner. We gained the property back in mid-May and have undertaken significant work since then, the bathroom and kitchen are still not refitted but hopefully in another month or so it should be back to something like a complete house again. All the time we have still had to pay the

mortgage and insurance for the property as well as, of course, our own family household costs. We have two children who also require our time and financial investment so all in all the last 12 months have been extremely stressful and financially crippling. One small concession we have had in our favour during the time since we gained possession of the property back was the initial free month and subsequent 50% discount on the council tax. It is a relatively small amount in the scheme of things, compared to what we have/are having to pay out but it is still a relief to get that concession which is only fair due to the property being empty. We have invested in the property as necessary to ensure that when it is available to future tenants is it clean and comfortable and to a standard that anyone deserves to live in so if we were to be penalised by having to pay full Council Tax on a property that is not utilising any of the amenities/services funded by the Council Tax then it would be completely unfair and unjust. We would strongly urge you not to make the proposed changes and continue to offer what is fair and decent and right to any person acting in good faith and investing in their property. What is the alternative? Unscrupulous landlords will delay carrying out essential work because of unfair changes that they will have to pay? Privately rented property standards will decrease. I don't see that it is beneficial to anyone. Your letter states that any funds raised from the proposed changes will be used to fund statutory services and to keep council tax levels down but it is completely unfair, why should someone who is not utilising the statutory services at a specific property pay for other people's benefit, surely all charges and taxes should be fair and just and charging someone for something they are not using is neither. With regards to the current 100% discount for the first month a property is empty that is also fair and should not be changed. If a tenant moves out there is always work to be done by way of cleaning and clearing and at least minor decoration. It also takes considerable time to market the property, have relevant checks carried out on potential tenants and assume they will need to give 1 months' notice on their current property therefore even 1 month discounted never covers the length of time it takes for someone new to move in but it is a fair reduction to start with. Reducing the discount just adds further financial burden on private landlords acting in good faith who are already in a situation of having to invest in a property and pay fees for finding a new tenant.

- If you buy a property which is uninhabitable you would still be paying council tax where you were living. It would be unfair to have to pay 2 full charges. This would put people off buying run down properties and make the empty homes issue worse. Rather than change the discount amount maybe consider just reducing the time from 12 to 6 months to give new owners time to get the essential work scheduled.
- This is just another example of all landlords being demonised and used as a cash cow by government instead of addressing the real issues. Sefton Council should understand that no reasonable landlord wants to leave a rental property empty for longer than they need to when it could be earning rent. The proposed change of the 100% discount on council tax relief to 50% for properties vacant for less than a month is particularly troubling. A good



landlord may need that month at the end of a tenancy to carry out any necessary work (which may include repairing damage caused by the tenant) ready for the next tenant.

- I have had an empty property previously when a leak caused major damage in my home and I was forced to move out. It took me months to rectify and I didn't have money to hurry it up. Not all empty properties are rich landlords who can't be bothered
- Southport has a large proportion of older property that badly need updating and improvement. If a family inherits a house after a bereavement, a month is too short a period for families to adjust to decide their next step. Landlords could be left with empty properties if tenants leave. Which will deter landlords from providing an essential service as lots of younger people are not able to get on to the property ladder.

## **4. Equality Impact Assessment**

### **4.1 Introduction**

Any change to function, provision or policy that may have an effect on people is automatically subject of the Equality Act 2010. As such the 'decision makers' have a statutory duty to pay 'due regard' to equality legislation and the potential discriminatory impact that changes have on service users. To inform decision makers, an 'equality analysis report' is submitted to them at the time of decision making for them to consider equality implications as part of their final decision making.

To meet equality legislation public bodies have to consider Section 149 of the Equality Act 2010:

A public authority must, in the exercise of its functions, have due regard to the need to: -

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and person who do not share it.

### **4.2 Protected Characteristics**

Equality Law (Equality Act 2010) is clear that there are characteristics intrinsic to an individual against which it would be easy to discriminate. Section 149 (the Public-Sector Equality Duty) cites the goals of the Act and the characteristics, known as 'protected characteristics' against which we have to test for discrimination. These characteristics are gender, race/ethnicity, religion or belief, sexual orientation, age, gender reassignment, pregnancy and maternity and disability.

### 4.3 **Consultation**

Sefton Council is considering reducing the Council Tax discounts on properties deemed uninhabitable for a period of up to 12 months, and for empty properties empty for up to 1 month.

The changes will help to reduce the number of empty homes and bring them back into use through sale or renting and align the level of discounts available to those offered across the Liverpool City Region. Additional income raised from the changes to the discounts will help support the provision of Council services.

As part of the consultation, equalities questions were asked in connection to gender, age, disability and ethnicity. The main issues that the Council has to consider in relation to the proposed changes to the scheme in relation to equality and diversity are:

- Disabled people, on very low income, who are unable to carry out the necessary renovations to properties themselves or pay someone to do it for them.
- Where owners are struggling to cope with managing the property they own.

### 4.4 **Impacts**

The tables below highlight what evidence we have on how the proposed changes will affect different groups and communities in relation to equalities and human rights. Where numbers are presented which refer to the survey, this relates to the number of people who responded to the equality questions in the survey and aligned to the question on impacts. People who responded to the survey and reported any impacts, whether this was a lot of impact or no impact, did so from an individual perspective. The table recognises the responses to the survey but also considers any detrimental impact on the protected characteristic as a whole and includes the mitigations the Council has in place.

#### **Breakdown of respondents by Gender**

In terms of the 218 respondents to the survey 106 identified as a woman, 90 as a man, 17 preferred not to say and 5 did not answer.

185 respondents identified as being the same gender as at birth, 1 identified as being a different gender to birth and 32 did not answer or preferred not to say.

#### **Breakdown of respondents by Age ranges**

In terms of the 218 respondents to the survey, 211 gave the following age ranges:

<b>Age</b>	<b>Total</b>
18-29	8
30-39	27
40-49	48

50-59	64
60-69	47
70-79	15
80-84	1
85+	1
Not answered	7

### **Breakdown of respondents by Postcode**

Of the 218 respondents to the survey, the following postcodes were submitted.

L10	L20	L20	L22	L23	L30
3	18	15	8	25	8
L31	L37	PR8	PR9	Outside Sefton	No Response
8	17	52	49	7	8

### **Disability**

15 respondents identified as being disabled when asked that if they have HIV, cancer or diabetes they would be classed as 'disabled' under the Equality Act 2010.

### **Other Disabilities**

When asked 'do you have any disabilities?' 4 indicated mental health problems, 1 indicated being on the Autistic Spectrum/Asperger's Syndrome, 5 indicated problems with hearing, 1 indicated problems seeing, 9 indicated they have difficulty walking or moving about or use a wheelchair. 38 did not answer, or preferred not to say.

### **Ethnicity**

Respondents were asked to identify their ethnicity.

<b>Ethnicity</b>	<b>Total</b>
White British	109
White English	67
White Irish	4
White Scottish	2
White Polish	1
Mixed Background Other	3
Mixed Background – Asian & White	2
Other White background	4
Chinese	1
Prefer not to say / no response	25

## **Religion or Belief**

88 Respondents indicated a religion or belief. 86 identified as Christian, 1 as other religion and 1 did not specify the religion.

## **Relationships (Sexual Orientation)**

164 Respondents indicated their relationships. 158 identified as heterosexual, 2 identified as bisexual, 1 identified as lesbian and 3 identified as gay.

### 4.5 **Impacts**

<b>Protected Characteristic</b>	
Gender	No inadvertent bias on the basis of gender is indicated. We have not identified any impacts that need mitigation.
Race/Ethnicity	No inadvertent bias on the basis of race/ethnicity is indicated. The proposals do not treat people of different race/ethnicity groups any differently and we have not identified any impacts that need mitigation.
Religion and Belief	No inadvertent bias on the basis of religion or belief. The proposals do not treat persons of different religions or beliefs any differently and we have not identified any impacts that need mitigation.
Sexual Orientation	No inadvertent bias on the basis of sexual orientation is indicated. The proposals do not treat persons of different sexual orientation any differently. We have not identified any impacts that need mitigation.
Age	No inadvertent bias on the basis of age is indicated. Young people looking to join the property ladder or rent an affordable property may be affected as more empty properties are made available. We have not identified any impacts that need mitigation.
Gender Reassignment	No inadvertent bias on the basis of gender reassignment age is indicated in the proposals. We have not identified any impacts that need mitigation.
Pregnancy and Maternity	No inadvertent bias on the basis of pregnancy and maternity is indicated. We have not identified any impacts that need mitigation.
Disability	No inadvertent bias on the basis of disability is indicated. We have not identified any impacts that need mitigation.

### 4.6 **Mitigations**

#### **Key measures in place**

- Any short term financial hardship or other exceptional circumstances affecting a person's ability to pay will be addressed by the Council's Discretionary Reduction

in Liability Policy, and the promotion of that policy, so additional support can be provided for those in exceptional need.

- Sefton Council will continue to provide proactive and tailored support for those Council Tax payers who struggle to make payments and will continue to ensure that recovery procedures identify cases where additional support might be required.
- A proactive approach will be taken to identify persons meeting the severe mental impairment conditions set out in the Council Tax Regulations with a view to exempting them from paying Council Tax.
- The Council will continue working with and supporting customers whose first language is not English.
- Customers affected by the proposals will be contacted directly and provided with clear explanation and offers of advice and support.
- The Council's website information will be updated to reflect the key changes and any issues identified

## **Increase in Long-Term Empty Homes Premium Consultation Findings**

### **1. Background**

A public consultation ran for 5 weeks from 29th October 2018 to 3rd December 2018.

The consultation requested views on the proposal to increase the premium charge from 50% to 100% from 1 April 2019.

It also asked for views on further options to increase the premium charged on properties that have been empty for longer than 5 years to 200% from 1 April 2020 and those empty for 10 years or more to 300% from 1 April 2021.

The consultation was available online and by paper form to download where required. Direct mailing was used to contact all Council Tax payers currently liable to pay the Empty Homes Premium, and the consultation was promoted internally through the service, including the Council's Empty Homes Team.

Letters about the consultation were also sent to various stakeholders including private and registered social landlords and our major preceptors Merseyside Fire & Rescue Service, Merseyside Police and Crime Commissioner, and the Liverpool City Region Combined Authority.

Information about the survey was also available at Council libraries and the One Stop Shops. The Council also promoted the consultation on its website, intranet, via a press release and the Council's social media.

The aim of the survey is to ensure that the views of those Council Tax payers affected, other stakeholders and members of the public are considered before the decision is made to implement the premium and that any exceptions to the premium be considered.

### **2. Consultation Options**

The options consulted on were as follows,

**Question 1** How strongly do you agree or disagree with the proposals to double the Council tax premium on properties that have been left empty for more than 2 years from 50 per cent to 100 per cent.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

**Question 2** Do you have any comments relating to this proposal? You may wish to highlight any circumstances where this premium should not apply other than those examples mentioned earlier that are already exempt from Council Tax.

**Question 3** How strongly do you agree or disagree with the potential future changes to increase the premium to 200 per cent on homes left empty from 5 to 10 years from April 2020 and to 300 per cent on those empty for more than 10 years from 1 April 2021?

- o Strongly agree
- o Agree
- o Neither agree nor disagree
- o Disagree
- o Strongly disagree

**Question 4** Do you have any comments relating to the potential future changes to increase the premium to 200 per cent on homes left empty from 5 to 10 years from April 2020 and to 300 per cent on those empty for more than 10 years from 1 April 2021? You may wish to highlight any circumstances where this premium should not apply other than those examples mentioned earlier that are already exempt from Council Tax.

**3. Analysis of survey results**

- o In total, there were 129 responses to the on-line consultation, which is relatively substantial for a premium affecting only 645 properties.
- o Details of the capacity in which those who responded to the on-line survey are listed in the table below: -

(a)	A Member of the public	78
(b)	A Local business owner	2
(c)	A landlord of a property in Sefton that isn't empty	24
(d)	A landlord of a property that is empty	17
(e)	An elected Member	0
(f)	A local charity, voluntary or community organisation	0
(g)	Other (please specify) Executor	4
	No response provided	4

3.1 Of the 129 respondents to the online Questionnaire, the following postcodes were submitted

Postcode breakdown					
Outside Sefton	L20	L21	L22	L23	L30
<b>9</b>	<b>11</b>	<b>7</b>	<b>6</b>	<b>9</b>	<b>2</b>
L31	L37	L38	PR8	PR9	Not Completed
<b>3</b>	<b>7</b>	<b>1</b>	<b>19</b>	<b>19</b>	<b>36</b>

### 3.2 Responses to questions

**Question 1** How strongly do you agree or disagree with the proposals to double the Council tax premium on properties that have been left empty for more than 2 years from 50 per cent to 100 per cent.

Strongly agree	51
Agree	15
Neither agree nor disagree	7
Disagree	12
Strongly disagree	43
No response provided	1

**Question 2** Do you have any comments relating to this proposal? You may wish to highlight any circumstances where this premium should not apply other than those examples mentioned earlier that are already exempt from Council Tax.

	<b>Comment</b>
L20	<p>Most Landlords don't deliberately leave property's empty for more than a year.</p> <p>As a property owner, I'm trying to find a tenant. Increased council tax penalises me for this.</p> <p>I agree that increasing the council tax on long term empty properties is a fair approach as long as constructive advice is available from the council. I feel that the initial exemption of one month for vacant unfurnished properties should be extended to two months.</p> <p>There may also be economic reasons for the property being empty. Only if the owner does not cooperate with the Council to change this should the premium may be in place.</p> <p>Monies raised should be put towards social housing care.</p> <p>Why should anyone have to be "incentivised", or to put it another way, bullied and forced into occupying, or putting their property up for rent, or even for sale, just because it has been empty for a certain length of time? It is THEIR house, NOT a COUNCIL house, and therefore it is the OWNER's right to choose what they do with their property, as long as it is not illegal or anti-social, and all the bills are paid. It is irrelevant how long a private house stays empty, as long as it is kept in a reasonable state of repair and is not causing any problems to the neighbours, so therefore, the owner should only have to pay the standard rate of Council Tax like other property owners, NOT an inflated rate. It is not up to private property owners to solve the Council's housing problem, nor is it up to them to be an easy target to solve Sefton Council's financial problems. The Council should be targeting those who deliberately evade paying Council tax, not ripping off those who do pay - this</p>



	<p>proposal is just wrong. Just because somebody owns a property does not mean that they are rich. I inherited my house from my parents who worked extremely hard to buy a house which they would eventually leave to me; they were very proud of being able to do this for me. As well as having a strong emotional attachment to the house, I am disabled, on a very low income, and therefore unable to renovate the house myself, or pay for a builder to do it. Why should I be penalised by having to pay a huge premium? I have done nothing wrong, I am not a scrounger who expects something for nothing; I pay all the bills on the property. Likewise, somebody who is working and on a low income cannot afford to pay a builder to renovate their property and so would have to do it themselves at weekends and after work - a long job. Why should they be penalised with a huge premium?</p> <p>An excellent proposal. The Council needs to generate revenue in any way possible.</p> <p>The refurbishment of this property is progressing well &amp; being done to a high standard. This is taking longer &amp; costing more than we anticipated, but the property is in good repair &amp; not causing any nuisance or issue for neighbours (with whom we are on very good terms) or Sefton Council. The additional imposition of Council Tax costs would inevitably lead to financial pressures which could offset completion of refurbishment works. We are retired people who are doing our best to look after a house that has been in our family since 1941.</p> <p>My property was seriously vandalised by last council tax tenant and I just haven't got the funds (in excess of £3000) required for repair and replacement.</p> <p>As a private landlord with one property, our former home, the additional financial burden of having an empty property was not one i was expecting. Unfortunately, tenants are not perfect and i have suffered through non-payment of rent, eviction costs and extensive repairs of damage caused by the tenant. So, despite having to meet the mortgage on the property while it is empty, and pay for repairs the recent changes in council tax cause further burden. Originally a 6 month exemption period applied to empty properties. That has now reduced to one month. The increase in premiums adds further to my financial issues.</p> <p>It is not my intention that the property remains empty, why would it? But additional council tax premiums simply prevent or delay the necessary work required to get the property in rental condition.</p>
L21	<p>If a property is up for sale they should not have to pay the charges.</p> <p>Your proposal would punish people who are already punished and will do nothing to improve the poor housing situation. There are many reasons for houses to be left unoccupied for a length of time and none of these are to benefit the owner. Your proposal, and</p>

	<p>indeed your current policy, merely compounds the financial hardship. It would be far more effective to offer help to the owners of long term occupied homes to get them ready for sale/rental. Loans and grants should be available. Compulsory purchase could also be an option should the owners keep a property empty for two years or, perhaps, a commandeering of the property to re rented to deserving people with the equivalent of social rent only going to the owners. There are many solutions to the housing shortage and the number of unoccupied homes and none of them involve imposing what amounts to monthly fines.</p> <p>Sometimes people own properties that have fallen into disrepair and they do not have the funds to renovate it.</p> <p>I think this possibly to apply to landlords, however I wouldn't agree with it for our circumstances. My mother passed away and we have been trying to sell her bungalow. Naturally it's in our interests to get rid as soon as possible but it's not been as easy as it sounds. The property has sold 6 times, but the sale has been withdrawn for one reason or another (not due to anything wrong with the property) so here we are over 12 months down the line. We are constantly worried about the property being broken into because there are no police to deal with that. I have emailed many times about recruiting more police but she doesn't reply. The fact is that your council probably owns many of the empty properties anyway.</p>
L22	<p>If someone can afford to leave a property empty for that length of time they're clearly able to afford it, so the charges are an entirely appropriate incentive to correct the commercial priorities.</p> <p>Unfortunately, I am unaware of all the reasons that people have for not paying their council tax on an empty property but the existing exclusions should remain.</p> <p>For small landlords, this is a crippling double penalty when added to the already lost the rental income. Landlords with large portfolios (exceeding £1 million) who might have property for investment purposes can afford to pay 100%.</p> <p>No one should be expected to pay more than 100% charge. The services for the property are the same for everyone whether the property is empty or occupied. In fact, empty properties are not impacting on Sefton Council services for a property.</p> <p>The property needs work and this further expense would further delay the work going ahead If the owner is living on a pension may be some assistance could be provided.</p>
L23	<p>As a landlord in Sefton I have previously been impacted by the 50% additional charge. I have purchased empty properties which have required full renovations before I could find tenants. As one property had already exceeded the 2 years of being empty when I</p>

purchased it I was liable for the additional council tax charges. This I felt was unfair. Surely taking a property which is not liveable and has been empty for some time and doing the necessary renovations to provide additional affordable homes in the area is a good thing and should be rewarded and not punished. That said I agree that properties should not be kept empty and a penalty should be in place for those who sit on empty properties. I am aware that this can be a problem in some areas I think a fair addition to the new rules would be to reset the clock on these properties when newly purchased to provide landlords like myself the opportunity and incentive to improve living standards within Sefton.

There are a number of unused/ derelict buildings and it would be a positive result if an increased council tax payment forced the owners into letting or selling them, to bring vibrancy to the area. However, those with legitimate reasons for leaving the property empty should not be penalised.

I think the 100% charge should be applied after 6 months of being empty. It is inappropriate to leave a property empty while so many people need a home and councils are having financial difficulties.

It might make the owner make more of an effort to get the property occupied.

It is crucial that people do not continue to have incentives to leave houses empty by the current lower council tax rate, given the numbers of homeless people and others who may be living in cramped conditions. This increase would hopefully be some deterrent.

I think you should look at the finances of the owners of these properties. If they live elsewhere it's possible that they can't afford more council tax and by taking them to court you would waste even more money. I don't think it should be a complete ban on the exemption of the 50% tax as it is now. I even think that is too much - isn't the tax for facilities used and if no-one lives there they don't use any facilities!

I would suggest the increase should be even larger, say to 200%, to have a greater effect on the situation.

It is immoral for people to have unused living accommodation while there are so many families without a home.

I feel that a lot of people for good reasons could have a property for 2 or 3 years empty so 50% seems fairer

Where probate has been granted and the property is for sale

My parents are stuck living next door to an empty property that has

been that way in excess of 10 years. Owners refuse to sell yet put solar shades on a roof that is in a bad state of repair? My elderly parents are petrified that squatters will move in and we have no way of contacting these selfish owners. My parents and their neighbours try to keep the front of the house tidy so it isn't obvious what the situation is but are too elderly to continue to keep that up. It is a disgrace the place is left to rot. Hit the owners where it hurts - in their pocket and this will hopefully make them do something about the property.

The government and local authorities are taking a totally simplistic view and failing to understand the complex series of factors that can cause properties to remain empty, including for example, simple lack of market demand, or lack of financial resource on the part of the owner to bring dilapidated properties back from the brink back into use.....even just these two example factors can have a complex inter-relationship, with one interacting on the other. The proper and productive approach to this problem would be to abandon the stick (or at least not make it any bigger) and throw a carrot or two at it.

I understand why the proposal would be implemented for empty properties that could be brought back into use. However, this should not apply to circumstances such as the one that I am in. I am executor to my mother's will - she died in January 2015 and probate was obtained in May 2015, since when the property has been up for sale. It is a one bedroomed retirement shared ownership flat in XX. It went on the market at £65,000 and has been reduced over time to its current asking price of £44,950 and has been on the market with two estate agents. The shared ownership is with a Housing Association and they are difficult to deal with and I have lost one buyer due to their incompetence. In the meantime, not only do I have to pay council tax at an additional 50% rate, but I shall have to pay monthly service charges and a sinking fund charge if ever it is sold. There will be very little money left by the time this all happens. I feel very strongly that I should not be having to pay any council tax, as I receive no services whatsoever, never mind an additional premium. Due to myself spending lots of my time caring for my mother, I managed to keep her out of Sefton's Social Services system, and she never needed any additional support from the Council. Also, the Council itself does nothing to help me sell the flat - sale boards are not allowed outside the listed building. I am unable to bring the flat into use unless it is sold, one of the conditions of the lease is that I am unable to rent it out. I am extremely concerned whether there will be sufficient funds if the council tax charge is further increased. In circumstances where an executor to a will is unable to sell or rent a property and can prove that they have done everything possible to sell it, there should be an exemption.

For someone who is already paying nearly £250.00 a month taking it to nearly £400.00 a month is just too much.

L30	<p>If a property is up for sale, I can't see how you can penalise people who want to sell the property but it is taking longer than they wanted.</p> <p>Property's that are up for sale should be exempt from the increase.</p> <p>We have had the house up for sale for 2 years but can't sell it. Properties that are on the market and empty should be exempt from this.</p> <p>When properties are left empty when owners have gone into care the council should check that they are indeed empty and should take the waived council tax payments from the estate when the property is sold.</p> <p>I strongly disagree with this proposal for the following reasons. I realise that everyone's circumstances are different but mine are as follows. I inherited the house when my father passed away. After being unable to find a buyer for the house I realised that I would have to complete some work on the house in order to bring it up to a standard to allow me to either sell or rent the property. As I have a home, wife and a young family which I need to support finances are quite tight. I agree that as I own the empty property I should contribute towards the council but asking for double or treble the council tax will not only make the payments impossible to afford and so just cause stress and anxiety and the possibility of court action for not being able to pay and also make it more difficult to pay to renovate the house</p>
L31	<p>I believe the premium should rise due to the current housing shortage and this increase may persuade private landlords to sell properties that they cannot rent.</p>
L37	<p>I think owners should have an opportunity to make a case to the Council to use its discretion to waive the premium where they have been unable to sell or bring their properties back into use due to other circumstances out of their control. The Council should also take the opportunity to provide help and support to owners of long-term empty homes to assist them in bringing these properties back into use. The Council should not waive the premium where owners are marketing their property at an inflated price as this will not help to increase the supply of affordable homes.</p> <p>Without room for discretion this is a very unfair tax to increase to 100%. not all property is just kept empty sometimes there are issues which mean you cannot get a new tenant and therefore are being unfairly penalised.</p> <p>Maybe it will force a few sales and reduce pressure on the precious B Green Belt you seem so keen to destroy</p> <p>Council tax should be paid by all if empty or not.</p>

	<p>Sheer extortion! An ill-considered 'blanket' approach. Appalling because you seem to want to penalise the very people who are trying to do the right thing. Our property is vacant again and we (3 beneficiaries) want to sell the retirement flat and that has been our desire since 2004. It has been marketed for sale continuously, through estate agents. For a period of about 5 years we rented it to a tenant (who has died). The flat is empty again and it is being marketed for sale, yet again. Try as we might we cannot sell the property which is in a block of retirement flats where other flats are regularly up for sale. We are competing with other flat owners (sellers) on the same site. The residents are all elderly so any would-be buyers have to be over 60 thereby creating a 'niche' market.</p> <p>It should be imposed after 1 year. 2 years is far too generous.</p> <p>I believe that a 50% initial increase is sufficient.</p> <p>When a property has genuinely been on the market with local estate agents the extra premium should not apply. When you are paying over £200 a month in management fees there is absolutely no reason to keep a property empty, which has been my personal experience. "Largely unfurnished" is too open to personal interpretation by council staff.</p>
PR8	<p>Awaiting planning permission (this process can sometimes be protracted and out of the control of the property owner)</p> <p>If somebody can afford to have an empty house they should be able to afford to contribute to the council tax fund also. There are too many vacant properties in the Borough, I also think if a property has been vacant for 5 years or more, the owners should lose the right to ownership and it automatically transfers to the Council, this if obviously where the owner can't be bothered to deal with any issues with the property</p> <p>Instead of increasing to 100% make it 150 - 200% This will force owners to get tenants or sell. Why does Sefton Council not Compulsory Purchase empty homes to use for homeless?</p> <p>This proposal, and the current 50% premium does NOT incentivise home owners of empty properties to "bring them back into use" as: You are charging more tax, therefore the owner has LESS money to sort their house out and 'bring it back into use'. Therefore, prolonging the period of time that the house will be empty. I believe that if the owner of the property is renovating it BEFORE they live in it or consequently sell the property, they should be exempt as the long-term plan is to "bring the property back into use". To ensure that this is true, council inspectors or a written council policy to state that all work undertaken on the property has to be evidenced and sent to the council.</p>

Strongly object as purchased with intent to downsize but having to wait to move as husband became ill and would not be suitable, will move to property on husband's death. Your proposal is just a punishment for anyone trying to plan responsibly.

What about an empty property that is up for sale but is not selling? They should not be penalised because of stagnant housing market.

We would not have properties standing empty for no reason, it would be either because there was work needed doing to it or we were unable to find a tenant, the fact that we have to pay council tax from day 1 is already crippling without increasing it further

As a Expat visiting my own fully furnished property for family visits as well as family members using it , If the council puts up the taxes I shall have to let it out for shorts lets which benefits neither I nor the Council. As someone using less public services the extra surcharge is unfair. This is our only home in the UK. Mine is not empty but is taxed as if it was.

I can accept that an empty property may warrant a 100% tax as the council is losing income on empty properties.

I (together with my brother) purchased an apartment on Lord Street for my mother to live in when she was in her 80s. She died, aged 101, 18 months ago and the property has been for sale since that time. The lease prevents us from letting it, or from selling it to someone under 55, or from selling it to a third party (eg the Council). We have offered it to the ground landlord without success. Each month it is unsold we have to pay approx. £500 Service Charge plus 100% Council Tax even though we receive no services from either RSL or the Council. I am a resident of Sefton and also pay full Council tax on the house I share with my wife. We have had the apartment redecorated to a high standard and we do use it whilst we are overnighing in Southport but we wish to sell. The purpose of the legislation is presumably to bring unused property to the market. We have been trying to sell for 18 months; it is currently listed at a price lower than others in the building. You should either target the ground landlords who enforce the restrictive conditions in the lease or make an exception for "very sheltered accommodation".

I just need to know if I can no longer manage the property will you take it off me. I have no other income but my husbands and disability pips. I have mental health issues, at the moment my husband is my carer. I do not come under the heading without capacity though if I am sick I would come under that category. I own no other property. The flat I own is not occupied but I would say it is my second home should I become homeless for whatever reason. I did approach your offices for help but they told me if no one was living there it was empty (however, it is furnished) so I would just have to carry on paying council tax. I don't really know

	<p>what to do. I can't sell it the lady in the flat below has a life threatening illness. They have told me so over a period of several years. I find it difficult to cope.</p> <p>I always considered that a tax or rate had to be fair. If you are using the facilities you should pay for them. I already pay rates to Sefton as I live in their Borough. I have another property that I purchased to house my elderly mother who was a war widow. She died late last year and I put the flat up for sale. It will not sell because there are a number for sale and the service charge is so high. I don't use the council's facilities and I am desperately trying to sell but nobody wants to buy. I am currently paying 50% rates for a flat that nobody lives in nor uses any of the services that the Council provide. To increase the empty rate from 50% to 100% (and subsequently 200% and 300%) on a property that I am desperately trying to sell is patently unfair. The proposed increase was to target landlords who are deliberately leaving properties empty and not renting them out to tenants. This isn't the case with my circumstances. I know that Councils are strapped for cash and they will simply introduce this measure to increase revenue. I have the feeling that anything I write will eventually be ignored as raising money is paramount. I simply reiterate that the tax/rates must be fair.</p> <p>I cannot afford the mortgage I have on the property let alone increased council tax.!</p>
PR9	<p>I would love you to raise it to 100% considering the empty flat I am trying to sell is costing me 150% of the rateable value into the second year of being on the market.</p> <p>Authorities should be allowed to take all necessary steps to bring empty properties back into use. This should include compulsory purchase rather than increased Council Tax where property has been empty for 5 years or more.</p> <p>The whole point of council tax is to charge an occupant for using council services. If the property is empty there should actually be a nil charge never mind a 100% charge because there are no costs to the council.</p> <p>I am becoming elderly with an elderly husband and mobility problems and increasingly struggle to manage the only flat I own that is attached to and accessed via my own flat entrance. I have had really bad tenants and am reaching the point of not feeling able to go on renting emotionally and physically. If these council tax changes come into effect I will have to choose between bills I would struggle to pay, continuing to rent regardless of my health or selling the whole property.</p> <p>Great care must be taken to ensure the owner is not vulnerable. Penalties should be in place for any council staff member who fails to exercise due diligence.</p>



I have been trying to sell my house for 3 yrs over this period I have reduced the price by 80k in a desperate effort to sell. Some understanding from the council for those actively trying to sell would help enormously. I do agree those empty houses not for sale should have incentives to bring them back into homes. But this blunt instrument without some consideration for those of us already stressed about when will this house stop eating into my pension may just be seen as yet another way of bleed the tax payer.

Empty properties often fall into disrepair and neglect, and are not nice to see.

If not exempt and unwilling to sell or rent out, then the premium seems fair. Perhaps consideration should be given for discretion to waive the premium in genuine cases of inability to sell or rent out a property.

This is daylight robbery ! Sefton council still get paid the council tax whether the building is empty or not ? It should infect be reduced for empty properties as none of the services are being used if the property is empty ! Just sheer greed!

I think this is an excellent proposal as homes left empty for that long will tend to be neglected damaging the neighbourhood

There is a housing crisis whilst some of the wealthiest people are leaving properties to lay empty and unused, accumulating personal wealth at the expense of the majority. I fully support increasing the council tax levied. The only slight disagreement I have is the suggestion that this is a doubling of the council tax levied. What it is is a removal of a discount in council tax that has previously been applied.

Three years would be fairer than two. My property is empty because I cannot sell it at a reasonable price due to Brexit uncertainty. It remains on the market, but I have had few viewings and fewer offers, all well below comparable prices.

As an owner of a Residential Care Home we have a Cottage in the grounds. We cannot just rent this property out to anyone. The tenant has to have an enhanced DBS check, related someway to the business i.e. a member of staff. This significantly reduces the chance of renting out this property. CQC would not allow us to rent the property out to anyone due to the Vulnerability of the elderly people living in the Care Home. The cottage is also connected with all Fire related incidents. We test the Fire alarm weekly at the Care Home which is also sounded in the Cottage. If the Fire alarm went off it would also go off in the cottage. There are lots of issues associated with the suitability of the Tenant. We manage a retirement complex of 37 rental properties which have on average five or six empty at any one time. These properties are advertised

	<p>weekly but it does not result in the properties all being let. We pay out enough in council tax already and to increase this further would be being penalised for a lack of suitable tenants that fit the criteria.</p> <p>My mother owns a flat in XX. Mum is 86 years old and she lives in a care home as she has dementia. I have an Order from the Court of Protection which allows me to act for Mum and part of that regime is that I need to show that I have acted in Mum's best interest and taken advice where necessary. Father passed away in 2007. Both Mum and Dad worked hard and saved in order that they would be reasonably if modestly provided in their later years. Part of the planning was the purchase of the flat. Over the past year I consulted with a financial adviser and Mum's solicitor. As a result, I concluded that there is little point as in selling the flat as interest rates are so low. The flat needs major improvements, particularly in the bathroom and the kitchen. If Mum funded these improvements and let the flat, it would time quite a while to recover the outlay. In addition, the cost of the works would deplete the pool of money Mum has to pay for her care. Currently Mum pays the standard levy plus 50%. The proposal is that she now pay even more council tax. Mum is basically confined to her care home and uses very little of the services provided by the local authority, but the proposal is for Mum to pay a further increased penalty simply because she has poor health.</p> <p>This must rank as the most ill thought out proposal since the bedroom tax. If you have a property to sell with a registered estate agent, why should you be penalised, because the market is suppressed and is difficult to sell. Unless you sell under market value, which I did, after trying to sell for two and a half years, paying 50% extra tax, just to get rid.</p> <p>The Empty Homes premium should be 100% only and should be for properties of £100,000 or over, not for property less than that amount as you are punishing poor people.</p>
<p>Outside Sefton</p>	<p>If the home is being advertised for rent, then this should not apply. I have a house that is in very good condition (newly refurbished), but still we are having trouble finding a tenant.</p> <p>Empty retirement flat belonging to my deceased father has been on market for 2 years - have reduced price but still no sale - I am paying maintenance charges and council tax outside my own area out of my savings - whilst I understand basic council tax has to be paid I think it is unfair to expect executors to pay an additional premium when there is nothing more they can do to sell the property.</p> <p>As a landlord if we had an empty property we would still have a mortgage to pay, and I feel it would be unfair to punish us further.</p> <p>Fully in agreement if no effort is being made to have the property occupied. However, I have had the property in Sefton on the</p>

	<p>market for sale ever since my mother passed away in May 2017. The lease does not allow me to let the apartment, and it can only be occupied by someone over 50. To charge 200% of the Council Tax seems totally unfair when I am doing everything I can to sell it. Surely in these circumstances, empty properties should also be exempt.</p> <p>I most certainly agree considering that Sefton is at present charging me 150% rates for an empty flat that I am desperately trying to sell. A 100% rate would be a relief to this pensioner.</p> <p>Depends on the circumstances as to why a property is unoccupied. An increase is unfair to those who intend to live in the property but can't at present due to extensive renovations to make a property habitable (council tax deductions with his regard are currently not sufficient with respect to the period of availability). Therefore, this only extends the period the property is uninhabitable and vacant due to unavailable cashflow to do the work.</p>
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**Question 3** How strongly do you agree or disagree with the potential future changes to increase the premium to 200 per cent on homes left empty from 5 to 10 years from April 2020 and to 300 per cent on those empty for more than 10 years from 1 April 2021?

Strongly agree	48
Agree	15
Neither agree nor disagree	9
Disagree	10
Strongly disagree	46
No response provided	1

**Question 4** Do you have any comments relating to the potential future changes to increase the premium to 200 per cent on homes left empty from 5 to 10 years from April 2020 and to 300 per cent on those empty for more than 10 years from 1 April 2021? You may wish to highlight any circumstances where this premium should not apply other than those examples mentioned earlier that are already exempt from Council Tax.

	<b>Comment</b>
L20	<p>how many council houses are empty.</p> <p>There is no reason for properties to be left empty for extended periods.</p> <p>Positive proposals work better than simply "fine". I suppose landlords/owners have no real reason to have property empty.</p> <p>How can you charge for a property that isn't using any services?</p> <p>All the points that I have made in the previous question apply equally to this question. Also, the proposal to charge such inflated premiums</p>

	<p>is not only morally wrong, but will not work anyway: On one hand, you say that you are trying to encourage property owners to put more homes back into use. On the other hand, you say that you want to raise more money from the owners of empty properties- you are contradicting yourselves! If more properties get put back into use, you will get LESS money as the occupiers will only be paying Council Tax at the standard rate; not at the ridiculously inflated premiums that you are proposing if the properties were to remain empty - it doesn't work both ways!!</p> <p>An excellent proposal. The Council needs to generate revenue in any way possible.</p> <p>We think it would be helpful to consider properties on a case by case basis. It should be used to target those properties which are in poor repair and/or causing issues for neighbouring properties, the local community or the Council. We do not think that these costs should go over 150% for properties like ours which are in good repair &amp; undergoing further renovations as we are doing our very best to carry out improvements as effectively &amp; efficiently as possible.</p> <p>If council tax is paid I can see no justification to double or treble that.</p>
L21	<p>If a property is up for sale they should not have to pay the charges. It is unfair for people who are actively trying to sell their empty property to impose these high charges when they may already be paying a mortgage and council tax on the empty property AND the property they live in.</p> <p>Your proposal would punish people who are already punished and will do nothing to improve the poor housing situation. There are many reasons for houses to be left unoccupied for a length of time and none of these are to benefit the owner. Your proposal, and indeed your current policy, merely compounds the financial hardship. It would be far more effective to offer help to the owners of long term occupied homes to get them ready for sale/rental. Loans and grants should be available. Compulsory purchase could also be an option should the owners keep a property empty for two years or, perhaps, a commandeering of the property to re rented to deserving people with the equivalent of social rent only going to the owners. There are many solutions to the housing shortage and the number of unoccupied homes and none of them involve imposing what amounts to monthly fines</p> <p>I feel that increasing the premium would result in landlords creating fake tenancies in order to avoid making payment.</p>
L22	<p>If someone can afford to leave a property empty for that length of time they're clearly able to afford it, so the charges are an entirely appropriate incentive to correct the commercial priorities.</p>

	<p>Unfortunately, I am unaware of all the reasons that people have for not paying their council tax on an empty property but the existing exclusions should remain.</p> <p>The increase in costs will mean rents for everyone will have to go up.</p>
L23	<p>As a landlord in Sefton I have previously been impacted by the 50% additional charge. I have purchased empty properties which have required full renovations before I could find tenants. As one property had already exceeded the 2years of being empty when I purchased it I was liable for the additional council tax charges. This I felt was unfair. Surely taking a property which is not liveable and has been empty for some time and doing the necessary renovations to provide additional affordable homes in the area is a good thing and should be rewarded and not punished. That said I agree that properties should not be kept empty and a penalty should be in place for those who sit on empty properties. I am aware that this can be a problem in some areas I think a fair addition to the new rules would be to reset the clock on these properties when newly purchased to provide landlords like myself the opportunity and incentive to improve living standards within Sefton.</p> <p>There are a number of unused/ derelict buildings and it would be a positive result if an increased council tax payment forced the owners into letting or selling them, to bring vibrancy to the area. However, those with legitimate reasons for leaving the property empty should not be penalised.</p> <p>I think the 100%charge should be applied after 6 months of being empty. It is inappropriate to leave a property empty while so many people need a home and councils are having financial difficulties.</p> <p>It might make the owner make more of an effort to get the property occupied.</p> <p>It is crucial that people do not continue to have incentives to leave houses empty by the current lower council tax rate, given the numbers of homeless people and others who may be living in cramped conditions. This increase would hopefully be some deterrent.</p> <p>I think you should look at the finances of the owners of these properties. If they live elsewhere it's possible that they can't afford more council tax and by taking them to court you would waste even more money. I don't think it should be a complete ban on the exemption of the 50% tax as it is now. I even think that is too much - isn't the tax for facilities used and if no-one lives there they don't use any facilities!</p> <p>I would suggest the increase should be even larger, say to 200%, to have a greater effect on the situation.</p>

It is immoral for people to have unused living accommodation while there are so many families without a home.

I feel that a lot of people for good reasons could have a property for 2 or 3 years empty so 50% seems fairer.

Where probate has been granted and the property is for sale

My parents are stuck living next door to an empty property that has been that way in excess of 10 years. Owners refuse to sell yet put solar shades on a roof that is in a bad state of affair? My elderly parents are petrified that squatters will move in and we have no way of contacting these selfish owners. My parents and their neighbours try to keep the front of the house tidy so it isn't obvious what the situation is but are too elderly to continue to keep that up. It is a disgrace the place is left to rot. Hit the owners where it hurts - in their pocket and this will hopefully make them do something about the property.

The government and local authorities are taking a totally simplistic view and failing to understand the complex series of factors that can cause properties to remain empty, including for example, simple lack of market demand, or lack of financial resource on the part of the owner to bring dilapidated properties back from the brink back into use.....even just these two example factors can have a complex inter-relationship, with one interacting on the other. The proper and productive approach to this problem would be to abandon the stick (or at least not make it any bigger) and throw a carrot or two at it.

I understand why the proposal would be implemented for empty properties that could be brought back into use. However, this should not apply to circumstances such as the one that I am in. I am executor to my mother's will - she died in January 2015 and probate was obtained in May 2015, since when the property has been up for sale. It is a one bedroomed retirement shared ownership flat in XX. It went on the market at £65,000 and has been reduced over time to its current asking price of £44,950 and has been on the market with two estate agents. The shared ownership is with a Housing Association and they are difficult to deal with and I have lost one buyer due to their incompetence. In the meantime, not only do I have to pay council tax at an additional 50% rate, but I shall have to pay monthly service charges and a sinking fund charge if ever it is sold. There will be very little money left by the time this all happens. I feel very strongly that I should not be having to pay any council tax, as I receive no services whatsoever, never mind an additional premium. Due to myself spending lots of my time caring for my mother, I managed to keep her out of Sefton's Social Services system, and she never needed any additional support from the Council. Also, the Council itself does nothing to help me sell the flat - sale boards are not allowed outside the listed building. I am unable to bring the flat into use unless it is sold, one of the conditions of the lease is that I am unable to rent it out. I am extremely concerned

	<p>whether there will be sufficient funds if the council tax charge is further increased. In circumstances where an executor to a will is unable to sell or rent a property and can prove that they have done everything possible to sell it, there should be an exemption.</p>
L30	<p>If a property is up for sale, I can't see how you can penalise people who want to sell the property but it is taking longer than they wanted.</p> <p>Property's that are up for sale should be exempt from the increase.</p> <p>We have had the house up for sale for 2 years but can't sell it. Properties that are on the market and empty should be exempt from this.</p> <p>When properties are left empty when owners have gone into care the council should check that they are indeed empty and should take the waived council tax payments from the estate when the property is sold.</p>
L31	<p>I believe the premium should rise the current housing shortage and this increase may persuade private landlords to sell properties that they cannot rent</p>
L37	<p>I think owners should have an opportunity to make a case to the Council to use its discretion to waive the premium where they have been unable to sell or bring their properties back into use due to other circumstances out of their control. The Council should also take the opportunity to provide help and support to owners of long-term empty homes to assist them in bringing these properties back into use. The Council should not waive the premium where owners are marketing their property at an inflated price as this will not help to increase the supply of affordable homes.</p> <p>Without room for discretion this is a very unfair tax to increase to 100%. not all property is just kept empty sometimes there are issues which mean you cannot get a new tenant and therefore are being unfairly penalised.</p> <p>Maybe it will force a few sales and reduce pressure on the precious B Green Belt you seem so keen to destroy</p> <p>Council tax should be paid by all if empty or not</p> <p>Sheer extortion! An ill-considered 'blanket' approach. Appalling because you seem to want to penalise the very people who are trying to do the right thing. Our property is vacant again and we (3 beneficiaries) want to sell the retirement flat and that has been our desire since 2004. It has been marketed for sale continuously, through estate agents. For a period of about 5 years we rented it to a tenant (who has died). The flat is empty again and it is being marketed for sale, yet again. Try as we might we cannot sell the</p>

	<p>property which is in a block of retirement flats where other flats are regularly up for sale. We are competing with other flat owners (sellers) on the same site. The residents are all elderly so any would-be buyers have to be over 60 thereby creating a 'niche' market.</p> <p>Make it 200% after 2 years</p> <p>Other measures should be put into place to bring the properties back into use, looking at the reasons why the properties remain empty rather than just applying a financial penalty.</p>
PR8	<p>Awaiting planning permission (this process can sometimes be protracted and out of the control of the property owner)</p> <p>If somebody can afford to have an empty house they should be able to afford to contribute to the council tax fund also.</p> <p>There are too many vacant properties in the Borough, I also think if a property has been vacant for 5 years or more, the owners should lose the right to ownership and it automatically transfers to the Council, this if obviously where the owner can't be bothered to deal with any issues with the property</p> <p>Instead of increasing to 100% make it 150 - 200% This will force owners to get tenants or sell. Why does Sefton Council not Compulsory Purchase empty homes to use for homeless?</p> <p>This proposal, and the current 50% premium does NOT incentivise home owners of empty properties to "bring them back into use" as: You are charging more tax, therefore the owner has LESS money to sort their house out and 'bring it back into use'. Therefore, prolonging the period of time that the house will be empty. I believe that if the owner of the property is renovating it BEFORE they live in it or consequently sell the property, they should be exempt as the long-term plan is to "bring the property back into use". To ensure that this is true, council inspectors or a written council policy to state that all work undertaken on the property has to be evidenced and sent to the council.</p> <p>Strongly object as purchased with intent to downsize but having to wait to move as husband became ill and would not be suitable, will move to property on husband's death. Your proposal is just a punishment for anyone trying to plan responsibly.</p> <p>What about an empty property that is up for sale but is not selling? They should not be penalised because of stagnant housing market.</p> <p>I strongly disagree with both these proposals as it is exorbitant. Why should you be penalized unfairly for owning a property that you do not want to rent out because of all the problems that this may entail (watch channel 5) or sell because of the state of the current housing market where we are likely to lose money. The property in question</p>



	<p>was purchase from our pensions and savings for one of our daughter who was going to get a mortgage and repay us. However, she has since married and purchased a property with her husband having taken out a large mortgage. All the costs of the property in question has reverted to us, her parents, who are pensioners and do not want to get into renting. Why should we be penalised further if we pay 100% Council Tax. It certainly will not win you or the government any votes. I'm totally disillusioned with you all so expect that this is just a way of telling us what you intend to do no matter what is said.</p> <p>It would be more equitable if the Council compulsorily purchased such accommodation.</p>
PR9	<p>I would love you to raise it to 100% considering the empty flat I am trying to sell is costing me 150% of the rateable value into the second year of being on the market.</p> <p>Authorities should be allowed to take all necessary steps to bring empty properties back into use. This should include compulsory purchase rather than increased Council Tax where property has been empty for 5 years or more.</p> <p>The whole point of Council Tax is to charge an occupant for using council services. If the property is empty there should actually be a nil charge never mind a 100% charge because there are no costs to the council.</p> <p>I am becoming elderly with an elderly husband and mobility problems and increasingly struggle to manage the only flat I own that is attached to and accessed via my own flat entrance. I have had really bad tenants and am reaching the point of not feeling able to go on renting emotionally and physically. If these council tax changes come into effect I will have to choose between bills I would struggle to pay, continuing to rent regardless of my health or selling the whole property.</p> <p>Great care must be taken to ensure the owner is not vulnerable. Penalties should be in place for any council staff member who fails to exercise due diligence.</p> <p>I have been trying to sell my house for 3 yrs over this period I have reduced the price by 80k in a desperate effort to sell. Some understanding from the council for those actively trying to sell would help enormously. I do agree those empty houses not for sale should have incentives to bring them back into homes. But this blunt instrument without some consideration for those of us already stressed about when will this house stop eating into my pension may just be seen as yet another way of bleed the taxpayer.</p> <p>Empty properties often fall into disrepair and neglect, and are not nice to see.</p>

	<p>If not exempt and unwilling to sell or rent out, then the premium seems fair. Perhaps consideration should be given for discretion to waive the premium in genuine cases of inability to sell or rent out a property.</p> <p>This is daylight robbery! Sefton council still get paid the council tax whether the building is empty or not? It should in fact be reduced for empty properties as none of the services are being used if the property is empty! Just sheer greed!</p> <p>I think this is an excellent proposal as homes left empty for that long will tend to be neglected damaging the neighbourhood.</p> <p>There is a housing crisis whilst some of the wealthiest people are leaving properties to lay empty and unused, accumulating personal wealth at the expense of the majority. I fully support increasing the council tax levied. The only slight disagreement I have is the suggestion that this is a doubling of the council tax levied. What it is is a removal of a discount in council tax that has previously been applied.</p> <p>Three years would be fairer than two. My property is empty because I cannot sell it at a reasonable price due to Brexit uncertainty. It remains on the market, but I have had few viewings and fewer offers, all well below comparable prices.</p> <p>As mentioned we are very limited to whom we can rent the property to due to the exceptional circumstances related to the "ideal tenant". I think this needs to be looked into in much more detail and not just a blanket increase which suits all as this is not the case. If this did happen then the cost would be passed onto our service users which I do not think is fair.</p> <p>Most responsible landlords do their best to let properties to suitable tenants if a property has been empty as long as ten years it is most likely derelict. Taxpayers are disgruntled at paying 50% Premium Tax. Can't see collection rates rising if Premium Tax is increased excessively.</p>
<p>Outside Sefton</p>	<p>If the home is being advertised for rent, then this should not apply. I have a house that is in very good condition (newly refurbished), but still we are having trouble finding a tenant.</p> <p>Empty retirement flat belonging to my deceased father has been on market for 2 years - have reduced price but still no sale - I am paying maintenance charges and council tax outside my own area out of my savings - whilst I understand basic council tax has to be paid I think it is unfair to expect executors to pay an additional premium when there is nothing more they can do to sell the property.</p> <p>As a landlord if we had an empty property we would still have a mortgage to pay, and I feel it would be unfair to punish us further.</p>

	<p>Fully in agreement if no effort is being made to have the property occupied. However, I have had the property in Sefton on the market for sale ever since my mother passed away in May 2017. The lease does not allow me to let the apartment, and it can only be occupied by someone over 50. To charge 200% of the Council Tax seems totally unfair when I am doing everything I can to sell it . Surely in these circumstances, empty properties should also be exempt.</p> <p>I most certainly agree considering that Sefton is at present charging me 150% rates for an empty flat that I am desperately trying to sell. A 100% rate would be a relief to this pensioner.</p> <p>Depends on the circumstances as to why a property is unoccupied. An increase is unfair to those who intend to live in the property but can't at present due to extensive renovations to make a property habitable (council tax deductions with his regard are currently not sufficient with respect to the period of availability). Therefore, this only extends the period the property is uninhabitable and vacant due to unavailable cash flow to do the work.</p>
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### 3.3 Summary Table - Questions 1 & 3

	Agree/Agree strongly	Neither agree / disagree	Disagree / Strongly disagree	No response
Question 1	66	7	55	1
Question 3	63	9	56	1

## 4. Equality Impact Assessment

### 4.1. Introduction

Any change to function, provision or policy that may have an effect on people is automatically subject of the Equality Act 2010. As such the 'decision makers' have a statutory duty to pay 'due regard' to equality legislation and the potential discriminatory impact that changes have on service users. To inform decision makers, an 'equality analysis report' is submitted to them at the time of decision making for them to consider equality implications as part of their final decision making.

In order to meet equality legislation public bodies have to consider Section 149 of the Equality Act 2010:

A public authority must, in the exercise of its functions, have due regard to the need to: -

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- (c) Foster good relations between persons who share a relevant protected characteristic and person who do not share it.

#### **4.2 Protected Characteristics**

Equality Law (Equality Act 2010) is clear that there are particular characteristic intrinsic to an individual against which it would be easy to discriminate. Section 149 (the Public-Sector Equality Duty) sets the goals of the Act and the characteristics, known as 'protected characteristics' against which we have to test for discrimination. These characteristics are gender, race/ethnicity, religion or belief, sexual orientation, age, gender reassignment, pregnancy and maternity and disability.

#### **4.3 Consultation**

Sefton Council is considering increasing the Council Tax homes premium from April 2019 on homes left empty and substantially unfurnished for over 2 years. This will help to reduce the number of long term homes and bring them back into use through sale of renting. Any additional income raised from the premium will help support the provision of Council services.

As part of the consultation, equalities questions were asked in connection to gender, age, disability and ethnicity.

The main issues that the Council has to consider in relation to the proposed changes to the scheme in relation to equality and diversity are:

- Disabled people, on very low income, who are unable to carry out the necessary renovations to properties themselves or pay someone to do it for them.
- Where owners are struggling to cope with managing the property they own.

#### **4.4 Impacts**

The tables below highlight what evidence the Council has on how the proposed changes will affect different groups and communities in relation to equalities and human rights. Where numbers are presented which refer to the survey, this relates to the number of people who responded to the equality questions in the survey, and aligned to the question on impacts. People who responded to the survey and reported any impacts, whether this was a lot of impact or no impact, did so from an individual perspective. The table recognises the responses to the survey but also considers any detrimental impact on the protected characteristic as a whole and includes the mitigations the Council has in place.

#### **Breakdown of respondents by Gender**

In terms of the 129 respondents to the eConsult Questionnaire 52 females, 40 males, 2 preferred not to say and 35 not completed returns.

### **Breakdown of respondents by Age ranges**

In terms of the 129 respondents to the eConsult Questionnaire, 94 gave the following age ranges, cross matched against gender.

<b>Age Ranges</b>				
	Female	Male	Not declared	Total
18-29	2	0	0	2
30-39	5	2	1	8
40-49	10	6	0	16
50-59	13	13	1	27
60-69	12	11	1	24
70-79	7	7	1	15
85+	2	0	0	2

### **Breakdown of respondents by Postcode**

In terms of the 129 respondents to the eConsult Questionnaire, the following postcodes were submitted:

<b>Postcode breakdown</b>					
Outside Sefton	L20	L21	L22	L23	L30
10	10	7	4	17	1
L31	L37	L38	PR8	PR9	Not Completed
3	6	2	15	16	38

### **Breakdown of respondents by Equality Data**

Respondents were asked to indicate answers against Equality data questions, the breakdown of which is:

#### ***Disability***

4 indicated a Hearing Impairment, 5 indicating a Long-Term Illness Affecting Daily Activity, followed by 4 indicating Mental Health/Distress, a further 7 indicating a Physical impairment and 2 with a visual impairment.

#### ***Ethnicity/ Religion or Belief***

79 of our 129 respondents who answered indicated they were "White British" or "White English" in terms of ethnicity, with fewer numbers for the other classifications.

<b>Ethnicity - do you identify as...</b>	<b>Total</b>
White British	55
White English	25
White Irish	2
White Polish	1
White Welsh	1
Black British	1
Asian Indian	1
Other White background	2
Other Chinese background	1
Prefer not to say / no response	40

### ***Sexual Orientation***

On Sexual Orientation, 78 out of 129 respondents who answered indicated they were Heterosexual, 2 Bisexual and 49 Prefer not to say / or did not respond

Heterosexual	<b>78</b>
Bisexual	<b>2</b>
Prefer not to say / no response	<b>49</b>

### ***Religion / Belief***

42 out of 129 who answered indicated they were Christian, 1 Buddhist, 86 no religion / did not respond / prefer not to say.

### ***Gender at birth***

85 of the 129 respondents who answered the question indicated that they currently live in the gender given to them at birth. 1 respondent was not in the gender given at birth. 43 prefer not to say / no response.

## **4.5 Impacts table**

<b>Protected Characteristic</b>	
<b>Gender</b>	No inadvertent bias on the basis of gender is indicated. We have not identified any impacts that need mitigation.
<b>Race/Ethnicity</b>	No inadvertent bias on the basis of race/ethnicity is indicated. The proposals do not treat people of different race/ethnicity groups any differently and we have not identified any impacts that need mitigation.
<b>Religion and Belief</b>	No inadvertent bias on the basis of religion or belief. The proposals do not treat persons of different religions or beliefs any differently and we have not identified any impacts that need mitigation.
<b>Sexual Orientation</b>	No inadvertent bias on the basis of sexual orientation is indicated. The proposals do not treat persons of different sexual orientation any differently. We have not identified any impacts that need mitigation.
<b>Age</b>	No inadvertent bias on the basis of age is indicated. Young

	people looking to join the property ladder or rent an affordable property may be affected as more empty properties are made available. We have not identified any impacts that need mitigation.
<b>Gender Reassignment</b>	No inadvertent bias on the basis of gender reassignment age is indicated in the proposals. We have not identified any impacts that need mitigation.
<b>Pregnancy and Maternity</b>	No inadvertent bias on the basis of pregnancy and maternity is indicated. We have not identified any impacts that need mitigation.
<b>Disability</b>	No inadvertent bias on the basis of disability is indicated. However, the consultation results indicate that disability is also relevant to the proposals as people felt that there should be mitigations in place for owners who are unable to manage their affairs or circumstances where disability prompts a need to change property and reduces the ability to carry out the work required to an empty property.

## **4.6 Mitigations**

### **Key measures in place**

- Consideration to be given to whether any additional exemptions under which the Empty Homes Premium should not apply, for example where an owner is living elsewhere to receive care or resident in a nursing home etc.
- Any short term financial hardship or other exceptional circumstances affecting a person's ability to pay will be addressed by the Council's Discretionary Reduction in Liability Policy, and the promotion of that policy, so additional support can be provided for those in exceptional need.
- Sefton Council will continue to maintain its record of providing proactive and tailored support for those Council Tax payers who struggle to make payments and will continue to ensure our recovery procedures identify cases where additional support might be required.
- A proactive approach will be taken to identify persons meeting the severe mental impairment conditions set out in the Council Tax Regulations with a view to exempting them from paying Council Tax.
- The Council will continue working with and supporting customers whose first language is not English.
- Customers affected by the proposals will be contacted directly and provided with clear explanation and offers of advice and support.
- The Council's website information will be updated to reflect the key changes and any issues identified.