

Notice of Meeting

Cabinet

Date: Wednesday 18 December 2019

Time: 5.30 pm

Venue: Main Hall, Crosfield Hall, Broadwater Road, Romsey, Hampshire,
SO51 8GL

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Legal and Democratic Service

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PUBLIC PARTICIPATION SCHEME

If members of the public wish to address the meeting they should notify the Legal and Democratic Service at the Council's Beech Hurst office by noon on the working day before the meeting.

Membership of Cabinet

MEMBER

WARD

Councillor P North (Chairman)

Bourne Valley

Councillor N Adams-King (Vice-Chairman)

Blackwater

Councillor P Bundy

Chilworth, Nursling & Rownhams

Councillor D Drew

Harewood

Councillor M Flood

Anna

Councillor A Johnston

Mid Test

Councillor T Tasker

Andover Romans

Councillor A Ward

Mid Test

Cabinet

Wednesday 18 December 2019

AGENDA

**The order of these items may change as a result of members
of the public wishing to speak**

- 1 Apologies**
- 2 Public Participation**
- 3 Declarations of Interest**
- 4 Urgent Items**
- 5 Minutes of the meeting held on 6 November 2019**
- 6 Recommendations of the Overview and Scrutiny Committee held on 13 November 2019** **5**
- 7 Council Tax Support Scheme 2020/21** **6 - 21**

Finance
To consider changes to the Council's Council Tax Support Scheme for 2020/21.
- 8 Council Tax Premiums on Long-Term Empty Properties** **22 - 27**

Finance
To consider changes to the Council's policy of charging Council Tax premiums on long-term empty properties.
- 9 Council Tax Discount for Care Leavers** **28 - 33**

Finance
To consider introducing a local Council Tax discount for young adults leaving care.

ITEM 6 Recommendations of Overview & Scrutiny Committee

6.1 Overview & Scrutiny Committee – 13 November 2019

6.1.1 Review of the Council Tax Support Scheme

Councillor Baverstock, Lead Member of the Council Tax Support Scheme reported that the panel had met on 11 November 2019 and reviewed the Council Tax Support Scheme for 2020/21.

The Panel reviewed each of the four changes that are proposed for 2020/21 and took into account the latest responses from the public consultation in formulating their recommendations.

The panel also discussed whether it was appropriate to consider moving to a banded scheme in future years that will simplify the way that Council Tax Support was calculated, particularly for customers in receipt of Universal Credit.

The Head of Revenues advised that the Council Tax Support Scheme that would be approved in January 2020 would be for the 2020/21 year only. It was a requirement that the Council approved its scheme in advance of each financial year.

The panel recommended that an initial paper, setting out how such a scheme might work, be included in the OSCOM work programme for 2021 and that a panel be established early in the year.

Recommended to Cabinet:

That with effect from 1 April 2020 the following changes be made to the Council's Council Tax Support Scheme.

- 1. That a fixed reduction of £4 per week should be introduced for non-dependant adults living in a property.**
- 2. That eligibility for Council Tax Scheme was restricted to applicants with less than £6,000 of eligible capital.**
- 3. That the Second Adult Rebate is removed from the Council's Council Tax Support Scheme.**
- 4. That extended payments were removed from the Council's Council Tax Support Scheme.**

ITEM 7 Council Tax Support Scheme 2020/21

Report of the Finance Portfolio Holder

Recommended:

- 1. That the following changes be made to the Council's Council Tax Support scheme for the 2020/21 financial year.**
 - **Reductions in respect of non-dependants are set at a fixed rate of £4 per week**
 - **That eligibility for Council Tax Support is restricted to claimants with less than £6,000 in eligible capital**
 - **That the second adult rebate is removed from the Council's scheme**
 - **That extended payments are removed from the Council's scheme**

Recommendation to Council

SUMMARY:

- On 1 April 2013 the national Council Tax Benefit Scheme was abolished and replaced with a locally determined scheme known as the Local Council Tax Support (CTS) scheme.
- Every council is required to have a CTS scheme and must approve it by 11 March each year.
- The Council made a number of significant changes to its CTS scheme in 2019/20. The initial impact of these changes was considered at the OSCOM Panel meeting in August 2019. That meeting also considered proposals for further, minor changes to the CTS scheme for 2020/21.
- The proposed changes were subject to a public consultation, details of which are included in Section 4 and Annex 1 of this report.
- OSCOM met on 13 November to consider the results of the consultation and receive the recommendations of the OSCOM panel. The OSCOM recommendations to Cabinet are included in this report.

1 Introduction

- 1.1 The Council is required to have a CTS support scheme to assist residents with their liability to pay Council Tax.

- 1.2 The scheme must, as a minimum, meet the prescribed requirements published by Central Government for pensioner claimants. The scheme must also make provision for residents liable to Council Tax who are of working age.
- 1.3 A brief explanation of the terms used in this report and relating to its recommendations are as follows:
- (a) Non-Dependant Reduction – the amount of CTS you can receive can be reduced if an adult friend or family member lives with you. It is assumed that other adults living with you should contribute towards the rent and other household bills. The reduction applies whether that person is actually contributing or not. CTS is reduced by a set amount and is currently based on the non-dependant's weekly gross income. Non-dependant deductions start from the date the adult moves in or turns 18, but there are exemptions, for example if the non-dependant is a student.
 - (b) Eligible Capital is capital that is readily available to a claimant and can include cash, savings, shares, premium bonds, land and property. It does not include capital held in a property used as the claimant's home.
 - (c) A Second Adult Rebate is a reduction in Council Tax due to the fact that a second adult lives in the property and is on a low income. The second adult must be a non-dependant and cannot be a partner of the claimant. This can only be applied where the claimant is not eligible to receive CTS.
 - (d) An Extended Payment is an award of four weeks extra Housing Benefit and CTS, awarded when a claimant or their partner start work (including self-employment) or their hours or earnings from current employment increase. This does not apply in Universal Credit.
- 1.4 This report considers the options available to the Council for its CTS scheme for the financial year 2020/21.

2 Background

- 2.1 CTS was introduced on 1 April 2013 to replace the old Council Tax Benefit scheme.
- 2.2 Government funding for the new CTS was reduced by 10%, yet the pre-existing full support offered to pensioners was required to continue. Some Councils covered the shortfall by immediately introducing minimum charges to Working Age residents. Some, like Test Valley, took the decision to review their scheme once the actual impact of Universal Credit was more fully understood.
- 2.3 The Council was able to avoid introducing minimum charges in the early years of CTS as a result of making additional charges for long-term empty properties and a reducing CTS caseload.
- 2.4 However, from 1 April 2019 the point was reached where the cost of the CTS scheme could no longer be contained within its existing budget.

- 2.5 The Council consulted on a range of options to take effect from 1 April 2019 and encouraged Council Tax payers, local partners, groups and organisations to submit a response.
- 2.6 A major change to the Council's scheme was implemented from 1 April 2019 with the introduction of a minimum charge for most working age claimants of 10%. Other changes were also introduced at that time and included an increase to the minimum CTS payment and a £30 per week earnings tolerance for changes in circumstances.
- 2.7 An initial review of the impact of those changes was reported and discussed at the OSCOM panel meeting in August 2019. It was recommended that further major changes to the CTS scheme are not considered until the impact of previous changes could be fully evaluated.
- 2.8 A number of comparatively minor proposals that aim to simplify the scheme for residents and reduce the administrative burden of the scheme were considered and consulted upon. Details of this consultation are included with section 4 and Annex 1 of this report.

3 Corporate Objectives and Priorities

- 3.1 A CTS scheme is a legislative requirement, however the Council is able to design and maintain a scheme which supports its own objectives and priorities.
- 3.2 The Corporate Plan 2019 to 2023, "Growing Our Potential", includes priorities to ensure people are able to live well and fulfil their aspirations. Maintaining the current levels of support within our CTS scheme helps protect the incomes of some of our most vulnerable residents.

4 Consultations/Communications

- 4.1 An extensive consultation exercise in relation to proposals for the 2020/21 CTS scheme was undertaken.
- 4.2 The consultation process included, writing directly to 177 households that would be affected by the changes being consulted on; promoting the consultation on the Council's website and social media channels; sending 1,000 leaflets to random customers with Council Tax Bills and CTS notifications; and through Citizens Advice who have promoted the consultation to their customers.
- 4.3 The number of households affected by each of the changes is shown below.
- 23 Second Adult Rebate cases
 - 41 cases with capital of £6,000+
 - 121 cases with non-dependant deductions
 - No cases are affected by proposals relating to extended payments

Some households may be in more than one of the categories, hence the total adding up to 185.

4.4 In addition we have also completed a statutory consultation with regard to our CTS scheme with our major preceptors (Hampshire County Council, Police & Crime Commissioner and Fire Authority). They all confirmed their support for the proposals contained in the consultation.

4.5 A total of 136 responses was received. 24 of these were hard copies returned by customers that were written to directly. The remainder were submitted online.

5 Options

5.1 Options for changes to the Council's CTS scheme were debated by the OSCOM panel in August 2019. The panel's recommendations were agreed by OSCOM on 5 September and reported to Cabinet on 11 September.

5.2 A public consultation has taken place on those options and the results of that consultation exercise are summarised above and detailed in Annex 1.

5.3 The Council cannot introduce changes to its scheme that have not been consulted on. The options in this report are therefore limited as to whether to implement any or all of the four options that were subject to consultation

5.4 The four options consulted on were:

- Set a fixed reduction for non-dependants living in a property
- Restrict the maximum eligible capital level to £6,000
- Remove Second Adult Rebate (sometimes known as Alternate Maximum Council Tax Reduction) from the Council's scheme
- Remove Extended Payments from the Council's scheme

6 Option Appraisal

Make no changes

6.1 It is becoming increasingly burdensome to administer CTS for working age claimants due to the increased flow of information from the DWP and the transition of claimants from Housing Benefit to Universal Credit.

6.2 Changes made last year (in particular, the implementation of a £30 earnings tolerance) have helped to mitigate some of this burden, but there are still opportunities to make the scheme simpler to understand for applicants as well as reducing the amount of time it takes to process claims.

6.3 The changes proposed in this report will affect a relatively small number of claims and will help to simplify the scheme. Therefore, this option is not recommended.

Set a fixed reduction for non-dependants living in a property

- 6.4 The CTS scheme assumes that working non-dependant adults living in a property with a Council taxpayer will contribute to the Council Tax payable. A non-dependant could be, for example, a grown-up child of the taxpayer.
- 6.5 The Council cannot obtain non-dependant income from Universal Credit as this is not collected; instead DWP use a standard deduction amount regardless of income.
- 6.6 In calculating entitlement for CTS under our current scheme, the Council has to obtain details of earnings for non-dependants and then carry out a means related calculation when this information is received. The claim cannot be finalised until this information is received and it is an administratively cumbersome process compared to a standard deduction. The non-dependant's income also has to be kept under review to ensure that any changes in circumstance are reflected in the deduction made.
- 6.7 The current non-dependant deductions used in our scheme for working age claimants mirror those set for the national pensioner scheme. There is no deduction made if the non-dependant is a pensioner, student, in receipt of out-of-work benefits or Universal Credit. If they are working, a deduction from the Council Tax Support is made as follows:

Income	Weekly Deduction
£0.00 - £207.69	£4.00
£207.70 - £360.09	£8.10
£360.10 - £447.39	£10.20
£447.40 and above	£12.20

- 6.8 The council consulted on a fixed non-dependent deduction of £4.00 per week, in line with the minimum deduction applied in the 2019/20 scheme. This would remove the administrative burden of collecting the information and would also result in a quicker award of CTS to customers.
- 6.9 As £4 per week is the lowest deduction made in the current scheme, no claimants will be worse off as a result of this change.
- 6.10 This option will result in a small additional cost to the scheme, reflecting that higher deductions are currently made in cases where the non-dependant has higher earnings. However, this cost is expected to be offset by savings in administration costs if a standard non-dependant deduction is applied.
- 6.11 The recommendation of OSCOM is that a fixed non-dependant deduction of £4 per week be introduced from 1 April 2020.

Restrict the maximum eligible capital level to £6,000

- 6.12 Under the current scheme, eligibility is limited to claimants whose capital is below £16,000. Where a claimant has between £6,000 and £16,000 in capital, a tariff income of £1 per week for every £250 (or part thereof) is assumed.
- 6.13 To simplify the scheme, the Council consulted on reducing the capital limit to £6,000. Savings below this amount will be disregarded and there will be no entitlement if over £6,000 is held in capital.
- 6.14 This would reduce administration costs as there would no longer be a requirement to obtain and monitor savings levels of claimants in the tariff income range. However, there would be an estimated 41 cases where customers currently eligible for CTS would become ineligible for support in 2020/21 because their savings are in excess of £6,000.
- 6.15 OSCOM have recommended that this change is implemented in the CTS scheme for 2020/21.

Remove the Second Adult Rebate from the scheme

- 6.16 This relief applies where there is an adult living in a property who would be ineligible for CTS (for example, because of excess savings) and there is a second adult living in the property who:
- receives either income support, income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance or
 - has an income of less than £266 per week
- 6.17 The maximum amount of relief that can be awarded is 25% of the Council Tax charge.
- 6.18 In line with many other local authorities, the Council consulted on removing this relief. This will reduce both the cost and administration of the scheme as any working age claimant with a second adult would no longer be entitled to claim support.
- 6.19 This will have a negative impact on the 23 claimants currently receiving this relief. However, the second adult rebate is only applicable where the claimant is not eligible for support under the main CTS scheme, so it is expected that these households will have savings or income sufficient to meet the full Council Tax charge.
- 6.20 OSCOM recommended that the second adult rebate be removed from the Council's CTS scheme for 2020/21.

Remove Extended Payments from the scheme

- 6.21 Extended payments relate to the legacy Housing Benefit scheme and are not applicable to Universal Credit.

6.22 Removing this from the scheme will not impact on any existing customers. It is not expected that there would be any eligibility for this in the future due to the transition of customers from Housing Benefit to Universal Credit.

6.23 OSCOM recommended that extended payments are removed from the CTS scheme for 2020/21.

7 Risk Management

7.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

8 Resource Implications

8.1 CTS is a discount that is applied to the Council Tax charge of eligible customers, reducing the amount of Council Tax payable.

8.2 An estimate of the amount of CTS that will be awarded each year is included in the annual Council Tax base calculation. This is the calculation that sets the expected income that the Council will generate from Council Tax income each year.

8.3 When the tax base was set for 2019/20, the total estimated CTS for the year was £4.677M. This was based on the new rules being applied from 1 April 2019 and took into account the current trend of a reducing caseload.

8.4 The actual amount of CTS that was included in the annual Council Tax bills and the latest position are shown in the following table. The total cost of CTS is shared with other preceptors (HCC, Hampshire PCC and Hampshire Fire). TVBC's share of the total cost in 2019/20 is 10.74%.

	Total Cost £'000	TVBC share £'000
2019/20 forecast CTS in Council Tax base	4,677	502
Total amount of CTS reflected in bills in March 2019	4,860	522
Current estimated cost of 2019/20 CTS scheme as at 30 October 2019	4,675	502

8.5 The figures indicate that the changes that were made to the scheme in 2019/20 together with a continuing reduction in caseload will not lead to a further budget pressure for 2020/21.

8.6 The changes that are proposed affect only a very small number of claimants (177 out of a total caseload of 4,852) and are not expected to have a significant impact on the overall cost of the scheme in 2020/21.

9 Legal Implications

- 9.1 The Council has a legal responsibility to create, maintain and renew its CTS scheme on annual basis. These powers are contained in Section 13A of the Local Government Finance Act 1992 as amended.

10 Equality Issues

- 10.1 An Equalities Impact Assessment has been carried out in relation the proposed changes to the Council's CTS scheme and is attached at Annex 2.
- 10.2 This has identified that there will be both positive and negative financial impact on the recipients of CTS. It is considered that the potential benefit of changes being proposed outweigh the negative impact against a very limited number of households.

11 Other Issues

Wards/Communities Affected

- 11.1 All wards are affected by the Councils CTS scheme and the changes recommended within this report will affect a limited number of working-age claimants.

12 Conclusion and reasons for recommendation

- 12.1 A public consultation has been carried out on four proposed changes to be made to the Council's 2020/21 CTS scheme. These options were initially recommended by the OSCOM panel following its scrutiny of the current scheme in August 2019.
- 12.2 The proposed changes are relatively minor, compared to the significant changes that were introduced in 2019/20 and have been designed to make the CTS scheme easier to understand for claimants as well as reducing the administrative burden on the Council.
- 12.3 Having considered the results of the public consultation exercise, it is recommended that the four proposals are all implemented with effect from 1 April 2020.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance) Councillor M Flood			
Officer:	Michael Fisher	Ext:	8563
Report to:	Cabinet	Date:	18 December 2019

Council Tax Support Consultation Analysis

An extensive consultation exercise was undertaken in relation to proposed changes to the Council Tax Support (CTS) scheme for 2020-21.

The consultation process included, writing directly to 177 households that would be affected by the changes being consulted on; promoting the consultation on the Council's website and social media channels; sending 1,000 leaflets to random customers with Council Tax Bills and CTS notifications; and through Citizens Advice who have promoted the consultation to their customers.

The number of households affected by each of the changes is shown below.

- 23 Second Adult Rebate cases
- 41 cases with capital of £6k+
- 121 cases with non-dependant deductions

*Note: Some households may be in more than one of the categories, hence the total adding up to 185.

In addition we have also completed the statutory consultation with regard to our CTS scheme with our major preceptors (County Council, Police & Crime Commissioner & Fire Authority). They all confirmed they support the proposals contained in the consultation.

Consultation Response

The consultation closed at mid-day on 13th November. A total of 136 responses was received. 24 of these were hard copies returned by customers that were written to directly (separate analysis of these responses is shown on page 3). The remainder were submitted online.

In a large number of cases, not all the questions were answered by respondents. The figures shown below reflect the answers that were given to each area. Percentages relate to those respondents who answered the questions. The numbers in brackets () relate to the number of respondents.

	Yes %	No %	Don't Know %	Failed to Answer
I have read the background information	96.3 (131)	3.7 (5)	0 (0)	(0)
Introduce a fixed non-dependant reduction	51.3 (39)	23.7 (18)	25.0 (19)	(60)
Implement a £6,000 capital limit restriction	50.6 (40)	29.1 (23)	20.3 (16)	(57)
Removal of 2 nd adult rebate	34.2 (26)	42.1 (32)	23.7 (18)	(60)
Removal of extended payments	61.4 (46)	13.3 (10)	25.3 (19)	(61)

Breakdown of respondents in percentage terms for those who provided data.

Are you, or someone in your household, getting a Council Tax Reduction at this time?	
Answer Choices	Responses
Yes	49.3%
No	47.8%
Don't know	2.9%

Gender?	
Answer Choices	Responses
Male	39.1%
Female	56.5%
Prefer not to say	4.4%
Other	0.0%

What is your age?	
Answer Choices	Responses
16-24	0.0%
25-34	7.4%
35-44	17.4%
45-54	30.4%
55-64	21.7%
65+	18.8%
Prefer not to say	4.3%

Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?	
Answer Choices	Responses
Yes	34.8%
No	59.4%
Don't know	1.5%
Prefer not to say	4.3%

Paper consultation results

- Those consulted upon directly via means of letter and paper consultation documentation responded more negatively to the proposed changes compared to those completed on-line. This is unsurprising as they will be directly affected by the changes. The return rate of paper consultations was 13.5%.

	Yes %	No %	Don't Know %	Failed to Answer
I have read the background information	100 (24)	0.00 (0)	0 (0)	(0)
Introduce a fixed non dependant deduction	45.5 (10)	31.8 (7)	22.7 (5)	(2)
Implement a £ 6,000 capital limit restriction	29.2 (7)	41.6 (10)	29.2 (7)	(0)
Removal of 2 nd adult rebate	17.4 (4)	47.8 (11)	34.8 (8)	(1)
Removal of extended payments	39.1 (9)	13.1 (3)	47.8 (11)	(1)

Equality Impact Assessment

Service:	Revenues
Officer(s) completing the assessment:	Michael Fisher
Date:	November 2019
Name of service, strategy, policy, project or function being assessed:	Council Tax Support Scheme for Working Age Applicants

1.	<p>What are the aims, objectives, outcomes, purpose of the service, strategy, policy, project or function that you are assessing?</p>	<p>The Council Tax Support (CTS) scheme provides support for certain taxpayers who have a low income. Where entitled, the scheme provides a reduction in liability for Council Tax.</p> <p>2019/20 saw the introduction of a 90% CTS cap for most working-age claimants. This was a significant change that has resulted in a number of households being asked to pay an element of their Council Tax charge, where previously they had not been required to do so.</p> <p>The proposals being considered for the 2020/21 scheme are less significant and are focused on simplifying the scheme for users. If implemented, less information will be required from applicants before a claim can be processed and CTS applied to an account.</p> <p>The replacement scheme is designed to:</p> <ul style="list-style-type: none"> • reduce the significant administrative requirements for applicants who are in receipt of Universal Credit within the area • reduce the time taken to process CTS claims. <p>The intention is to introduce the new scheme for working age applicants from 1st April 2020.</p> <p>The changes will not affect Pension Age applicants.</p>
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2.	<p>Who implements or delivers the service, strategy, policy, project or function?</p> <p>State if this is delivered by more than one service or team, including any external partners.</p>	Revenues Service
3.	<p>Who will be affected by the service, strategy, policy, project or function?</p>	<p>A small number of existing working age claimants of CTS. All potentially affected residents have been written to as part of the consultation process. There will be both positive, negative and neutral impacts.</p> <p>The changes will not affect Pension Age applicants who are protected under the Central Government Prescribed Scheme</p>
4.	<p>What are the likely positive impacts for the protected groups (see above)?</p> <p>Are any particular groups more affected and why?</p>	<p>Working Age applicants could be affected positively as follows:</p> <ol style="list-style-type: none"> 1. Residents living with a non dependent will either see their non dependent deduction remain the same or reduced. The deduction will be capped at £4 per week. 2. Residents would not need to provide evidence of non-dependant income to support their claim. This should speed up the time take to process claims.
5.	<p>What are the likely negative impacts for the protected groups (see above)?</p> <p>Are any particular groups affected more and why?</p>	<p>Working Age applicants could be affected negatively as follows:</p> <ol style="list-style-type: none"> 1. Working age applicants who have savings between £6,000 and £16,000 will see their entitlement to CTS end. 2. Working age claimants who currently receive Council Tax discount due to a 2nd adult living on a low income in the property. They will see their entitlement end, potentially increasing council tax payments by up to 25%. <p>This change is likely to affect, for example, lone parents with grown up children. The liable person will either have sufficient income to pay their Council Tax or will still be eligible under the main scheme to receive support with their Council Tax payments.</p>
6.	<p>What consultation and engagement has taken place (or is planned) with the affected groups and other</p>	<p>Consultation was carried out in accordance with the legislation. Major preceptors have been consulted as well as the public and interested groups.</p>

	interested parties?	<p>An open consultation process was undertaken for eight weeks regarding these changes to the CTS scheme. This has been publicised on the Council's website and social media channels. Test Valley Citizens' Advice also encouraged its customers to respond to the consultation.</p> <p>In addition, those directly affected by the proposed changes have been written to. The letter detailed the proposed changes and invited them to take part in the consultation process.</p> <p>1,000 publicity flyers were included with letters and notifications issued from the Revenues department during the consultation period.</p> <p>The results of consultation have been analysed and are detailed elsewhere in this report.</p>
7.	What plans do you have in place, or are developing, to mitigate the likely negative impacts, i.e. how will you reduce the impact on the protected groups?	The Council will use existing policies to alleviate any hardship caused by these changes.
8.	Please summarise or provide links to the information, data, research used in this assessment	<p>Outcome of the original consultation which sets out the Government priorities for CTS Schemes</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/8467/2053712.pdf</p> <p>Previous CTS Schemes - Also know as Council Tax Reduction are published on the Council's website</p> <p>http://www.testvalley.gov.uk/benefitsandcounciltax/benefits/test-valley-borough-councils-council-tax-support-s</p>

What course of action does this EQIA suggest that you take? (tick one of the following options)	
<p>Outcome 1: No major change required The EQIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.</p>	

Outcome 2: Adjust the policy to remove barriers identified by the EQIA or better promote equality. Are you satisfied that the policy adjustments will remove the barriers identified?	
Outcome 3: Continue the policy despite potential for adverse impact or missed opportunities to promote equality identified. You should ensure that the EQIA clearly sets out the justifications for continuing with the policy. You should consider whether there are sufficient plans to reduce negative impact and/or plans to monitor the actual impact	X
Outcome 4: Stop and rethink the policy when the EQIA shows actual or potential unlawful discrimination	

Summary of your proposals - copy and paste into any report for Cabinet, Council or General Purposes Committee	
What are the key impacts - positive and negative?	
What course of action are you advising as a result of this EQIA?	
Are there any particular groups affected more than others?	
It is proposed that the current Council Tax Support scheme for working age applicants is changed with effect from 1 st April 2020 as follows:	
<ol style="list-style-type: none"> 1. That non-dependant reductions will be fixed at £4 per week irrespective of the level of income. 2. Working age applicants who have saving in excess of £6,000 will no longer be entitled to claim Council Tax Support. 3. The removal of entitlement to 2nd Adult Rebate from the CTS scheme. 4. Remove entitlement to extended payments under the scheme (no claimants affected by this amendment) 	

Head of Service sign off (name):	Carl Whatley Head of Revenues
Date:	25 th November 2019

ITEM 8 Council Tax Premiums on Long-Term Empty Property

Report of the Finance Portfolio Holder

Recommendation:

That with effect from 1 April 2020, the Council increases the Council Tax premium charged on long-term empty and substantially unfurnished properties in accordance with the amounts and effective dates shown in paragraph 3.1 of the report.

Recommendation to Council

SUMMARY:

- The Council has charged a 50% Council Tax premium to the owners of long-term empty and substantially unfurnished properties since 2013.
- New legislation has been passed that allows the Council to increase the premium charged. The changes are being introduced over two years (2020/21 and 2021/22) and target those properties that have been empty the longest.

1 Introduction

- 1.1 This report considers the options available to the Council for charging Council Tax Premiums on long-term empty and substantially unfurnished properties.
- 1.2 The report is presented following the introduction of new legislation (*Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018*) that increases the amounts that Councils can charge on these properties.

2 Background

- 2.1 Legislation was introduced in 2013 that allowed local authorities to charge a 50% Council Tax premium on properties that have been 'unoccupied and substantially unfurnished' for more than two years.
- 2.2 The purpose of the legislation was to provide an incentive to owners of empty properties to bring them back in to use.
- 2.3 Test Valley Borough Council introduced the 50% premium in 2013, with the income generated used to partly offset the reduction in government funding that was associated with the introduction of Council Tax Support.

2.4 This report explains the new powers and considers the impact of implementing them.

3 Changes to powers

3.1 The increases to the new premiums are being introduced in a phased manner over the next two years. The following table sets out the maximum premiums that can be charged in each year.

	Empty period	Maximum Premium
Financial year 2020/21	2 – 5 years	100%
	Over 5 years	200%
Financial years from 2021/22	2 – 5 years	100%
	5 – 10 years	200%
	Over 10 years	300%

4 Corporate Objectives and Priorities

4.1 The Corporate Plan 2019 to 2023, “Growing Our Potential”, includes priorities to ensure our town centres are attractive, vibrant and prosperous places and to work with our communities to deliver the supply of homes which reflects current and future housing needs. The recommendations in this report will contribute by encouraging owners of empty homes to bring them back into use and therefore, will directly contribute to achieving the aims of the Corporate Plan.

4.2 The Council’s current Housing Strategy includes actions to encourage owners of long term empty homes to bring them back into use and the Council is in the process of reviewing its approach to dealing with problematic empty homes.

5 Consultations/Communications

5.1 The Council has consulted with the major Council Tax preceptors (Hampshire County Council, Police and Crime Commissioner for Hampshire and Hampshire Fire & Rescue Service) about the proposed changes. They have issued a combined response that supports the recommended option.

5.2 If the change to the policy is approved, the Council will write to the owners of properties currently attracting the premium, or with properties that may attract the premium in 2020/21. This will give information about the increase to the policy and signpost to advice for bringing the property back in to use.

6 Options

6.1 The premiums shown in paragraph 3.1 are the maximum that can be charged. The Council can set premiums at a level it chooses up to those amounts.

6.2 The options are therefore:

- Option 1 – To make no change to the existing empty homes premium
- Option 2 (Recommended) – To implement the empty homes premium to the maximum amount allowed
- Option 3 – To increase the premium, but not to the maximum amounts allowed.

7 Option Appraisal

7.1 The main purpose of the premium is to serve as a deterrent to property owners from keeping housing stock unoccupied. The strengths and weaknesses of each option are largely focused on their ability to achieve that objective.

Option 1 – Make no changes to the current scheme

7.2 Option 1 would retain the current policy arrangements.

7.3 44 properties are currently charged the premium. 14 of these have been empty for more than ten years and a further 14 have been empty for between five and ten years. This would suggest that, for these properties, the current incentive is not strong enough to bring the properties back into use and that a stronger incentive may be necessary.

Option 2 (Recommended) – Apply the maximum permitted increase to the premium

7.4 The advantage of this option is that it would apply the maximum financial incentive possible to encourage owners of empty properties to bring them back into use. As noted above, more than half of the properties that are charged the premium have been empty for longer than 5 years and would be liable to a higher premium.

7.5 Introducing the premiums would also align the Council Tax practice as closely as possible with the Housing & Environmental Health Service's approach to tackling long-term empty homes.

7.6 The potential disadvantage of this option is that the higher the premium that is charged, the more likely it is that property owners will seek to find ways to avoid paying the premium. For example, this could be done by furnishing or occupying the property.

Option 3 – Increase the premium by less than the maximum allowed

7.7 This is a hybrid of options 1 and 2 and could be set at any level.

8 Risk Management

8.1 An evaluation of the risks indicates that the existing controls in place mean that no significant risks have been identified at this time.

9 Resource Implications

- 9.1 As at 8 November 2019, there were 67 properties that were recorded as being empty and unfurnished for over two years.
- 9.2 The premium is being applied to 44 of those properties. The remaining 23 properties are exempted from the premium for reasons including; the building undergoing major repairs or structural improvements; or the owner has moved out to receive care.

Council Financial Implications

- 9.3 The following table shows an estimate of the amount the Council would generate in Council Tax premiums for long-term empty properties if the maximum premiums are applied. It assumes that the same 44 properties remain empty for the next two years and no other properties become liable to the premium. This also assumes no changes to the current Council Tax levels.

	2019/20 £'000	2020/21 £'000	2021/22 £'000
Total premium charged	35	119	149
TVBC share of Council Tax (10.74%)	4	13	16

- 9.4 The premium is applied to the overall Council Tax charge and therefore all other preceptors would also benefit from a change in the Council's policy. Increasing the premium from April 2020 is expected to generate additional Council Tax receipts of £84,000, of which £9,000 would be retained by the Council.
- 9.5 If the new powers were implemented, the additional income would originate in the Collection Fund through an increase to the overall tax base. The tax base is derived from a calculation that sets the expected number of chargeable Council Tax properties in the borough each year.

Council Taxpayer Implications

- 9.6 The following table shows an average Council Tax charge for each band of property in 2019/20. It also shows the amount after the 50% premium is applied and the potential charges if the maximum premium is introduced.

Band	2019/20 charge	Charge plus 50% premium	Charge plus 100% premium	Charge plus 200% premium	Charge plus 300% premium
A	1,125	1,688	2,250	3,375	4,500
B	1,312	1,968	2,624	3,936	5,248
C	1,500	2,250	3,000	4,500	6,000
D	1,687	2,531	3,374	5,061	6,748
E	2,063	3,095	4,126	6,189	8,252
F	2,438	3,657	4,876	7,314	9,752
G	2,813	4,220	5,626	8,439	11,252
H	3,375	5,063	6,750	10,125	13,500

9.7 The table shows that the impact of increasing the premium from the current 50% to the maximum of 300% would be £4,217 per annum (£6,748 - £2,531) for a band D property. This would only apply to properties that have been empty for longer than ten years and would not be chargeable until April 2021.

9.8 The impact on a band D property that has been empty for between two and five years would be £843 (£3,374 - £2,531).

9.9 A review of the properties currently being charged the premium shows that recovery rates are high with little in the way of arrears.

10 Legal Implications

10.1 The additional powers discussed in this report are pursuant to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

11 Equality Issues

11.1 An equalities impact assessment has been carried out.

11.2 This has identified that there will be a negative financial impact on the owners of properties affected by the increase in Council Tax premiums. It is considered that the potential benefit of bringing disused houses back into use outweighs this negative impact.

12 Conclusion and reasons for recommendation

12.1 The report sets out the changes to legislation that enable the Council to increase the Council Tax premiums it charges the owners of properties that have been empty and unfurnished for more than two years.

12.2 The premiums act as an incentive to bring empty properties back into use, aligning with existing Council policies for housing and homelessness.

12.3 For this reason it is recommended that the premium charged on empty and unfurnished property is increased in accordance with the maximum amounts set out in paragraph 3.1.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
(Portfolio: Finance) Councillor M Flood			
Officer:	Carl Whatley	Ext:	8540
Report to:	Cabinet	Date:	18 December 2019

ITEM 9 Council Tax Discount for Care Leavers

Report of the Finance Portfolio Holder

Recommendation:

That the Council introduces a Council Tax discount for care leavers with effect from 1 April 2020.

- **That care leavers living alone be awarded 100% relief until their 25th birthday.**
- **That care leavers living with other adults be disregarded for Council Tax purposes until their 25th birthday.**

Recommendation to Council

SUMMARY:

- The report considers the impact of introducing a Council Tax discount scheme for care leavers.
- It recommends that care leavers be entitled to receive a 100% Council Tax discount until their 25th birthday.

1 Introduction

- 1.1 In July 2016, the government published 'Keep on Caring', a guide to supporting young people from care to independence. One of the areas for consideration was whether care leavers should be exempted from paying Council Tax.
- 1.2 The Children and Social Work Act 2017 sets out seven corporate parenting principles that all local authorities should have regard to. These principles are to ensure that local authorities and their partners support looked after children and care leavers. One of the principles is 'to prepare those children and young people for adulthood and independent living'.
- 1.3 Anne Longfield, the Children's Commissioner for England, has encouraged Councils to follow the recommendations of The Children's Society's *Wolf at the Door* publication which recommends that Council Tax exemptions be introduced for care leavers.

2 Background

- 2.1 Following the release of the Keep on Caring guidance and corporate parenting legislation, Hampshire County Council sought to develop a county-wide care leaver scheme that could be used by any Hampshire district that wanted to adopt it.

- 2.2 TVBC expressed an interest in the scheme and were willing to contribute to its development. However, in March 2019 it became clear that a county-wide scheme would not be delivered and that any Council wishing to offer Council Tax discounts to care leavers would need to develop their own scheme.
- 2.3 Winchester, Basingstoke and the Hampshire unitary authorities have already introduced schemes to award Council Tax relief to care leavers.

3 Care leavers in Test Valley

- 3.1 The definition of a care leaver, as provided by HCC in 2018, is a young person aged 16-25 who has been cared for by a local authority for at least 13 weeks since the age of 14.
- 3.2 Figures provided by HCC to the Council at that time estimated that there were approximately 25 care leavers that could be entitled to support in Test Valley.
- 3.3 At the same time, there were 350 care leavers living in Hampshire, of whom 76 were estimated to be paying Council Tax (21.7%). Extrapolating that figure across Test Valley would indicate that five or six care leavers would be likely to benefit from a local scheme.
- 3.4 It is expected that most, if not all, will be entitled to some form of discount from their Council Tax charge. This could be in the form of single person discounts, student exemptions or the Council's own Council Tax Support scheme. Any specific relief for care leavers would be applied after all other forms of support have been used.

4 Examples of other Councils' schemes

- 4.1 Both Winchester and Basingstoke introduced schemes to support care leavers from April 2019. Their schemes are published on their respective websites at the addresses shown below.
- 4.2 Winchester - <https://www.winchester.gov.uk/council-tax/discounts/care-leaver-discount>
Basingstoke - <https://www.basingstoke.gov.uk/council-tax-discount>
- 4.3 Winchester – 100% reduction if the care leaver is the sole occupant. If there are two or more residents in the property the care leaver will be disregarded for Council Tax purposes. As at 25 November 2019, there had been no applications for this relief.
- 4.4 Basingstoke – 100% reductions up to 22nd birthday, relief then reduces by 25% per year until 25th birthday. At any time up to age 25, if there is one other adult living in the property (who is not a care leaver), the bill will be reduced by 50% and if there are two or more adults living in the property (who are not care leavers), the bill will be reduced by 25%. The taper was used to help introduce the care leaver to paying for Council Tax over a number of years, gradually increasing the amount payable, rather than a full charge as soon as they turn 25.

5 Corporate Objectives and Priorities

- 5.1 The Corporate Plan 2019 to 2023, "Growing Our Potential", includes priorities to ensure residents of Test Valley are able to live well and fulfil their aspirations.
- 5.2 The introduction of a Council Tax discount for care leavers will assist some of our most vulnerable residents to achieve this aspiration.

6 Consultations/Communications

- 6.1 During the review of the Council's Council Tax Support Scheme for 2020/21, the OSCOM Member Panel also considered whether Council Tax relief for care leavers should be introduced. Whilst not directly part of that panel's remit, the lead member was keen that the development of such a scheme be taken forward as a separate matter.
- 6.2 HCC have previously supported the development of Council Tax discount schemes for care leavers. However, as this is a locally funded scheme, there is no requirement to formally consult with major preceptors.
- 6.3 The delivery of a successful scheme will require new working relationships with HCC, particularly the case worker of each care leaver. It will be a requirement of any scheme that the care leaver gives permission for HCC to provide information necessary to support an application for relief.

7 Options

- 7.1 The introduction of a scheme to reduce or eliminate Council Tax charges for care leavers is a local decision and the Council is therefore free to set its own parameters.
- 7.2 Section 3 of the report identifies that there are likely to be a small number of recipients of relief from any scheme that the Council introduces. It is therefore recommended that any scheme should be as simple as possible to administer.
- 7.3 The recommended options are:
- Option 1 – Not to introduce a scheme for care leavers
 - Option 2 (Recommended) – To implement a scheme that offers 100% Council Tax relief to care leavers until their 25th birthday
 - Option 3 – To implement a scheme that reduces the amount of support a care leaver receives as they approach their 25th birthday.

8 Option Appraisal

Option 1 – Not to introduce a scheme

- 8.1 Care leavers are among the most vulnerable members of our community.

The Joseph Rowntree Foundation has published a report, *Resilience and young people leaving care*, which explores the factors that affect young people leaving care and making the transition to adulthood. It highlights care leavers' vulnerability to unemployment, homelessness and their need for financial advice and assistance.

- 8.2 Not introducing a scheme would mean that the Council misses an opportunity to help vulnerable young adults transition from the care system to financially independent living.

Option 2 (Recommended) – To implement a scheme that offers 100% Council Tax relief to care leavers until their 25th birthday

- 8.3 This scheme would offer the greatest amount of support to care leavers.
- 8.4 The scheme would introduce a 100% Council Tax exemption for care leavers up to their 25th birthday where they are the only adult in a property. Where there are two or more adults living in the property, the care leaver would be disregarded for Council Tax purposes.
- 8.5 From an administrative perspective, this scheme is the simplest to operate. The relief will be the same until the care leaver's 25th birthday, so will not require an adjustment on each birthday.
- 8.6 This scheme will potentially be more expensive than Option 3; however, the resource implications section below shows that the total cost is expected to be small.
- 8.7 The Council will ensure that care leavers are made aware of their obligation to pay Council Tax from their 25th birthday. This will help to prepare them for becoming liable for a full Council Tax charge when they reach that milestone.

Option 3 – To implement a scheme that reduces the amount of support a care leaver receives as they approach their 25th birthday

- 8.8 This scheme would offer less support to care leavers because the amount of relief offered would reduce each year on the care leaver's birthday. 100% relief would be awarded until their 22nd birthday and would then reduce by 25% each year until their 25th birthday.
- 8.9 However, this approach is more in line with assisting care leavers to reach financial independence by gradually increasing their obligation to pay Council Tax and not introducing a full charge in one bill.
- 8.10 This scheme would result in less relief being awarded and therefore be cheaper to the Council. However, the additional administrative constraints of reviewing accounts each year on a care leaver's birthday would make it less simple to administer.

9 Risk Management

9.1 An evaluation of the risks indicates that the existing controls in place mean that no significant risks have been identified at this time.

10 Resource Implications

10.1 A scheme to provide Council Tax discounts to care leavers would be introduced using powers in section 13A of the Local Government Finance Act 1992. This is a power to award Council Tax relief at a local level and means that the total cost of relief would be met by TVBC.

10.2 Essentially this means that TVBC would pick up 100% of the cost of the relief, rather than the 10-11% share of the Collection Fund that applies to most other reliefs.

10.3 HCC are not prepared to provide budgetary support for their ‘share’ of the cost.

10.4 The following table shows an estimate of the potential cost of the recommended option. The full charge is based on the 2019/20 Council Tax charge in Andover.

	Band A / living alone	Band A / living with another adult	Band B / living alone	Band B / living with another adult
Full charge	1,126	1,126	1,314	1,314
Single Person Discount	(282)	N/A	(328)	N/A
Maximum care leaver discount	844	282	986	328
Assume 50% CTS	(422)	N/A	(493)	N/A
Expected care leaver discount	422	282	493	328

10.5 A Council Tax Support (CTS) assumption has been made to reflect that care leavers in work are likely to be in the early part of their career development and earning relatively low pay. The 50% figure used above is purely for illustrative purposes and should not be relied upon as a budget guide.

10.6 Where the care leaver is living with another adult, the discount is equal to 25% of the charge. This is equivalent to a single person discount and means that if the care leaver is living with one other person, that person is not required to pay more Council Tax than they would if they were living on their own.

- 10.7 Taking an average relief of £400 and multiplying by the estimated number of beneficiaries (see para 3.3), the cost to the Council is not expected to exceed £3,000.

11 Legal Implications

- 11.1 The introduction of a care leaver discount would be made using powers in Section 13A of the Local Government Finance Act 1992, which gives the Council a discretionary power to reduce the amount of Council Tax payable for a dwelling within its area by such amount as it thinks fit.

12 Equality Issues

- 12.1 An equalities impact assessment has not identified any negative impacts that will arise from the introduction of this policy.

13 Conclusion and reasons for recommendation

- 13.1 Care leavers are among the most vulnerable members of our community.
- 13.2 The introduction of a Council Tax discount for care leavers will help them as they move into adulthood and towards financial independence. The scheme will also demonstrate the Council’s commitment to its corporate parenting responsibilities.
- 13.3 For these reasons, it is recommended that a Council Tax discount scheme for care leavers be introduced from April 2020.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Keep on Caring – Supporting young people from care to independence https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/535899/Care-Leaver-Strategy.pdf			
Joseph Rowntree Foundation Report, <i>Resilience and young people leaving care</i> https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/185935369x.pdf			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
(Portfolio: Finance) Councillor M Flood			
Officer:	Carl Whatley	Ext:	8540
Report to:	Cabinet	Date:	18 December 2019

ITEM 10

Empty Homes Policy

Report of the Housing and Environmental Health Portfolio Holder

Recommended:

1. That Cabinet note the contents of this report and approves the Empty Homes Policy attached at Annex 1 to the report.
2. That Cabinet approves delegated authority to the Head of Housing & Environmental Health, in consultation with the Cabinet Member for Housing & Environmental Health, to make minor amendments to the Empty Homes Policy.

SUMMARY:

- The number of empty homes in the borough is relatively low, to the extent that Test Valley reports the lowest level of long term empty homes of all Hampshire districts.
- Nevertheless, in light of local demand for housing, and with a very small number of specific properties generating issues for local residents, the Council has comprehensively reviewed its position with regard to tackling empty homes.
- The Council produced an Empty Property Strategy in 2005, and this was periodically reviewed. Aspects of this strategy were incorporated into the current Housing Strategy, in 2016.
- The Housing Service has recently undertaken a review of housing and homelessness matters, to inform an evidence base that will underpin new housing strategies from 2020. This work has included considering the level of empty homes in the borough.
- As part of its work to deliver the current Housing Strategy, and with a view to developing a new Housing Strategy from 2020, a new “Empty Homes Policy” has been produced at Annex 1.
- The Policy sets out a proportionate approach to the presenting issues associated with empty homes in the borough, including setting out some of the legal and regulatory considerations relevant to this area of work.
- In setting out a proportionate approach, the Policy is clear about the enforcement action it will consider taking, in instances where properties are allowed to remain empty for prolonged periods and become problematic.

1 Introduction

- 1.1 There are over 2,200 households currently registered on the Council’s Housing Register and increasing demands affecting the Housing Options Service.
- 1.2 Empty homes represent a wasted resource, and they can lower the quality of the local environment and affect the sense of community.

- 1.3 There are many and varied reasons why properties may become empty, and various reasons why they may remain so. Test Valley reports relatively low levels of longer term empty properties in the borough and since 2004, there has been a reducing trend in the number of long term empty homes.
- 1.4 Whilst the number of empty homes may be relatively low, it remains a concern that properties that could otherwise provide homes for local people are allowed to remain empty, and in a handful of instances, to remain empty for a considerable number of years.
- 1.5 In 2005, the Council published an Empty Homes Strategy. Whilst this remains relevant, aspects of the strategy were subsequently subsumed into the overarching Housing Strategy. The proposed Policy will update the Council's position and set out how it will deal with empty homes in future.
- 1.6 The proposed Policy supports delivering the aims of the outgoing Housing Strategy 2016 to 2019 and will support delivery of the forthcoming Housing Strategy 2020 to 2025.

2 Background

- 2.1 The proposed Empty Homes Policy provides a framework through which decisions can be made about how to move forward in specific circumstances, where it becomes apparent that an empty property has been vacant for a considerable period of time and is having a significant and deleterious effect on the local community.
- 2.2 It has also been drafted such that it proposes a proportionate approach; one that is sensitive to the rights and needs of private citizens, and with full regard to relevant legislation, regulation and guidance.
- 2.3 The policy sets out a graduated approach including a hierarchy of enforcement action that may be considered in specific circumstances.
- 2.4 The adoption of this policy will send out a message to those people with empty homes locally that have been allowed to remain empty for years and that are deteriorating. It sets out that advice and support is available to assist owners of empty homes to bring their properties back into use, and also, that the Council may consider taking robust enforcement action where no efforts are being made by property owners to address the situation.

3 Corporate Objectives and Priorities

- 3.1 Preventing and tackling homelessness is a priority for Test Valley Borough Council. The Corporate Plan "Growing Our Potential" includes priorities that the proposed Empty Homes Policy will support, including those associated with 'Town Centres', 'Communities', 'People' and 'The Local Environment'.
- 3.2 The policy will also form part of the final stages of delivering the outgoing Housing Strategy, and as an emerging aspect of the Council's future Housing Strategy 2020 to 2025.

- 3.3 By setting out a clear policy position for the way the Council will respond to long term empty dwellings, it will support efforts to rejuvenate our town centres, build strong and cohesive communities, meet local housing need and improve the local environment.

4 Consultations/Communications

- 4.1 The proposed Empty Homes Policy has been drafted in consultation with operational staff who will be involved in the delivery of the stages set out in the policy.
- 4.2 It has also been produced in consultation with key services within the Council, including Legal & Democratic Services, Planning & Building Services, Estates, and Finance.

5 Options

- 5.1 The Council is not required to produce an Empty Homes Policy and could continue to operate on the basis of the 2005 Empty Property Strategy and subsequent Housing Strategy actions.
- 5.2 The proposed Empty Homes Policy has, however, been drafted to set out an up to date set of parameters within which action will be considered, and acts as guidance for officers. This includes establishing how decisions will be taken to move ahead with various enforcement options.

6 Option Appraisal

Option 1:

- 6.1 The Council does not adopt the proposed Policy. In so doing, it would not be in breach of any statutory requirements.
- 6.2 The Council remains able to exercise its powers to tackle empty dwellings in the absence of the proposed Policy, however, the introduction of a new Policy that reflects how the Council intends to tackle empty homes, not only sets out a clear position internally but also sends a message to owners of empty dwellings in the borough that the Council has reviewed its position and it is prepared to act.

Option 2:

- 6.3 The Council adopts the proposed Policy, which provides clear guidance and parameters for staff, in an explicit document, to support and inform future discussions and decisions associated with the targeting of problematic long term empty dwellings.
- 6.4 Option 2 is being recommended to Cabinet to refresh the Council's position regarding tackling empty homes, and in such a way that will support it to deliver the current Housing Strategy and complement the new Housing Strategy that will be published in 2020.

7 Risk Management

- 7.1 An evaluation of the risks indicates that existing controls in place mean that no significant risks have been identified at this time.
- 7.2 The proposed Empty Homes Policy ensures that any decisions taken to deploy significant resource, may only be taken with senior officer and member approval.
- 7.3 The Council's Private Sector Renewal Policy is in the process of being revised and updated to ensure that the approach to the provision of any associated grants or loans, as referenced in the proposed Policy (section 4 of the Annex), is robust and up to date.

8 Resource Implications

- 8.1 The proposed Empty Homes Policy considers resources at section 6 of the Annex to this report. Each situation arising will be considered on its individual merits and with regard to achieving best use of public funds where they may be required.
- 8.2 The Council will seek opportunities to engage external sources of funding in implementing the Policy, subject to the individual circumstances of any specific case.
- 8.3 It is possible that in future, it may be considered appropriate to invest from either the General Fund or from the Housing Capital Fund to address specific empty properties, however, all decisions associated with enforcement and committing resources will be made through the executive processes at that time, as set out in the proposed Policy.
- 8.4 The day to day delivery of the Policy will be achieved within existing staff resources.

9 Legal Implications

- 9.1 The proposed Empty Homes Policy has been drafted in consultation with Legal Services and has taken relevant legislation, regulation and guidance into account.

10 Equality Issues

- 10.1 There are no equalities implications arising from this decision.

11 Other Issues

- 11.1 **Community Safety:** In some instances, bringing empty homes back into use may have a positive impact on community safety.
- 11.2 **Environmental Health Issues:** Environmental Health Officers will have a role in delivering the Policy and have been consulted in its development. The proposed Policy would, in some instances, have a positive impact on environmental protection, pest control and the enforcement of housing standards.

- 11.3 Sustainability and Addressing a Changing Climate: None.
- 11.4 Property Issues: Estates have been consulted in the development of the proposed Policy. Depending on decisions taken by the Council on a case by case basis, there may be Estates management issues arising for the Council, however, all decisions that would imply such an impact would be subject to senior management and member approval.
- 11.5 All wards and communities are affected by the recommendations.

12 Conclusion and reasons for recommendation

- 12.1 The Council's strategic approach to tackling empty homes forms part of the current Housing Strategy and the proposed Policy seeks to refresh and add clarity to the pre-existing options and approaches that have been adopted and deployed historically.
- 12.2 The Empty Homes Policy will provide clarity and a roadmap for officers and members in considering individual instances of long term empty properties and has been drafted in light of the new Corporate Plan aims and ambitions.
- 12.3 The Empty Homes Policy will complement the new Housing Strategy from 2020 and also support the Council's strategic aims around preventing and relieving homelessness and rough sleeping.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
N/A			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Housing & Environmental Health) Councillor P Bundy			
Officer:	Phil Turner	Ext:	8544
Report to:	Cabinet	Date:	18 December 2019



EMPTY HOMES POLICY

DECEMBER 2019

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1. Background & Introduction

- 1.1 Empty homes are a wasted resource, especially in light of the high demand for housing in Test Valley. Empty homes can lower the quality of the local environment and affect the sense of community.
- 1.2 We are fortunate that the borough experiences relatively low levels of empty dwellings. This policy sets out a pragmatic framework that underpins the way Test Valley Borough Council will approach its work to tackle empty homes. It has been developed in the context of the Council's corporate aims and values, and to underpin a response that is proportionate in context; the number of long term vacant properties (vacant for 2 years or more) is low in Test Valley.
- 1.3 In developing this policy, the Council has considered the Regulators' Code (April 2014) made in accordance with Section 23 of the Legislative and Regulatory Reform Act 2006. In that context, this policy aims to:
 - Support owners of empty homes to bring them back into use so far as reasonably practicable;
 - Encourage engagement between empty home owners and the Council, and ensure that the views of owners of empty homes are listened to;
 - Promote compliance with regulatory requirements through informal means wherever possible and ensure that any regulatory action taken is reasonable, proportionate (taking account of any risks), consistent, and properly targeted;
 - Ensure that appropriate information is given to owners of empty homes in respect of implementing this policy;
 - Set out clearly the Council's service standards;
 - Set out how to comment or complain about any aspects of implementation of this policy.

2. Empty Dwellings

- 2.1 There are broadly two types of empty residential properties; transactional empty properties and long-term empty properties. Transactional empty properties are usually empty for up to six months, as the result of a change in tenant or ownership. They are part of the normal cycle of moving house. The vast majority of all empty properties are empty for less than six months, though they may be empty longer should they be subject to renovation works.
- 2.2 In some instances, a property may be empty or appear to be empty, but is not classed as empty. A property does not have to be used all the time to be classed as occupied. For example, if it is:
 - a second home or a holiday home;
 - a property which is part of a wider regeneration programme and could be in the process of being developed or marked for demolition;

- a property which appears empty due to an overgrown garden or through lack of maintenance or repair but which could in fact be occupied;
- a property which has pending planning permission, could be awaiting refurbishment or could be waiting for new occupants to move in;
- where the owner is living elsewhere to provide or receive personal care (illness, old age, disablement, drug or alcohol dependence or mental disorder);
- a property which is genuinely on the market for sale or letting; or
- a property in which the mortgagee has entered into possession of the dwelling.

2.3 This policy is primarily concerned with properties that have been empty for at least two years and where the vacant dwellings have not arisen as the result of any transactional reasons. Notwithstanding that enforcement action referred to in Section 4 may also apply to those properties that have been vacant for less than 2 years, where they may be particularly problematic or there are obvious strategic reasons for doing so in the interests of meeting the needs of the local community.

2.4 This policy will apply to dwellings that are furnished or unfurnished.

3. Initial Process

3.1 Properties may be brought to the Council's attention in a variety of ways and through different departments. We may do periodic searches of the Council Tax database to identify long term empty properties that we were not otherwise aware of. These will then be investigated and subject to a staged and proportionate course of action.

3.2 During the initial period that a property is empty (i.e. approximately 24 months) we will take a minimal involvement approach to allow the owner time to decide on an appropriate course (unless the property is subject to vandalism/anti-social behaviour or we are contacted for specific advice/action). This is to ensure we are operating proportionately and recognising the various issues that may affect someone with an empty property in the first 24 months.

Stage 1: Monitoring & Review

3.3 Liaison will take place between relevant Council departments to establish what is known about the property and/or to identify any specific concerns that need to be investigated and considered. These departments include, but may not be limited to, Private Sector Housing, Environmental Health, Environmental Services, Planning Enforcement, Building Control and Council Tax.

- 3.4 Where a property is not causing any nuisance or antisocial behaviour problems, we will, after a period of 24 months, initially trace and contact the owner offering advice, encouragement and assistance where possible to bring the property back into use, and asking that they provide information regarding their intentions for the property. This may be a protracted stage if the property is unregistered or the owner is registered at the property with no alternate contact address.

Stage 2: Further Contact

- 3.5 Regular contact will be instigated with owners of properties at intervals. It is our aim to do so within 6 months but during busy periods the intervals between contact may be longer, but wherever possible within 12 months. The detail included in our correspondence will depend on the reason that the property is empty. It will set out action that the Council may consider as outlined in this policy.

Stage 3: Notification of Potential Enforcement Action

- 3.6 After the property has been empty at least 2 years and providing that previous contact has been made by the Council, a formal advice letter will be issued stating that enforcement action may be considered by the Council with the intention to force the property to be brought back into use.
- 3.7 Following this, a decision will be made on what the appropriate action might be to deal with that property, taking into account the circumstances of the case. It is anticipated this action will be started within 12 months of the formal advice letter. There are various options the Council could consider taking and these are set out in the following section. The Council will review the progress of these empty properties and the choice of action may alter depending on changing circumstances. These reviews will normally occur at intervals of 6 to 12 months.
- 3.8 The types of assistance that can be made available to owners during Stages 1 to 3 (subject to current resources and policies) are:
- Site meeting to offer advice and ideas
 - Financial assistance to bring the property back into use through the Council's current Private Sector Housing Renewal Policy
 - Letting packages supported by the Housing Options Service
 - Access to tenancy services
 - Signposting to funding opportunities
 - Assistance with selling the property
- 3.9 Any enforcement action would be on a case by case basis and with full regard to the Council's relevant Enforcement Policies and the statutory principles of good regulation (as set out in the Regulators' Code (April 2014)). When making decisions for regulatory action, the Council will take in to account the following issues:

- Condition of the property including compliance with the Housing Health and Safety Rating System
- Complaints received
- Association with anti-social behaviour
- Neighbourhood blight
- Housing need in the area
- Any explanation provided by the owner of the reasons for the home being empty (e.g. the personal circumstances of the owner)

4. Additional Action that may be taken

- 4.1 Whilst the initial negotiation stages are being undertaken, or the owner is working through other barriers to bringing the property back into use (probate et cetera), the Council will seek to ensure the empty property is not causing a nuisance or affecting neighbouring houses, by considering a range of other legal powers.
- 4.2 This action may include boarding up properties to prevent unauthorised entry, or works in relation to the upkeep of the garden or dwelling. All action will be undertaken in accordance with local team enforcement policies to ensure the response is balanced and proportionate. Where costs are incurred by the Council, for example through carrying out works in default of enforcement notices, they will be recovered from the property owner wherever possible.

Private Sector Housing Grants & Loans:

- 4.3 The Council will consider making offers of financial assistance to landlords and owners of empty properties as set out by the Council's current Private Sector Housing Renewal Policy at that time. This policy is subject to periodic amendment and available funding, therefore considerations associated with grants or loans must be made with due regard to the Council's policy position at any given time.
- 4.4 Any grants or loans that may be considered will be subject to the Council's application process, and any relevant terms and conditions, including levels of financial aid available.
- 4.5 The Council will generally not consider, save in exceptional circumstances, the option of financial support once enforcement action has commenced.

Tenant Finder & Support Services

- 4.6 The Council's Housing Services provide advice and support to landlords and tenants, along with a range of services to support landlords to meet their obligations and responsibilities as landlords.

- 4.7 Where an empty property may be at a lettable standard, the Housing Service will work with willing owners/landlords to supply a tenant or tenants with regard to the landlord offer that is available at that time.

Stage 4: Enforcement Options

- 4.8 There is no quick or easy fix to the issue of empty properties.
- 4.9 In the event that negotiation and encouragement are unsuccessful in the initial stages as set out above, the Council may consider how a range of options might apply to individual empty properties.
- 4.10 Where complaints are received about an empty home, and where a property has been empty for a considerable length of time, an option appraisal will be carried out to determine the most appropriate course of action and this report will be authorised by the Head of Housing and Environmental Health in consultation with the Head of Finance. The following options will be considered as part of the option appraisal.
- 4.11 Please note, all interventions during stages 1 to 3 above will be fully documented in order to inform the appropriate action and further, no hierarchy or preference is implied in the order of the subsequent enforcement options explained below. The hierarchy of action is covered later in Section 5 of this Policy.

Empty Dwelling Management Orders (EDMOs):

- 4.12 These are discretionary. The aim of the EDMO is to ensure that the property becomes occupied. When considering whether this is an appropriate course of action, the Council must consider the rights of the relevant owner as well as the interests of the wider neighbourhood community. All other options must have been considered and alternative avenues explored prior to instigating this course of action.
- 4.13 Before applying for an interim order the Council must be satisfied that the dwelling has been unoccupied for a period of 2 years and there is no reasonable prospect that the dwelling will become occupied in the near future, and/or, that if the order is made there is a reasonable prospect the dwelling will be occupied.
- 4.14 EDMOs will only be considered in exceptional circumstances for long term, problematic, empty properties. This consideration will have due regard to the factors set out above.
- 4.15 Where an EDMO is being considered, support will be requested in the first instance from either Valley Housing Ltd (the Council's housing company) or from a Registered Provider partner, to ensure any future letting can be

managed and administered by an appropriately positioned partner. (*This could require agreement from the relevant partner that any letting will be undertaken in consultation with the Council's Housing Services to support a household (or households) on the Council's Housing Register or who may be homeless or threatened with homelessness*). This is a key factor in developing the case for an EDMO to be pursued, in addition to the factors set out above.

- 4.16 The decision to pursue an EDMO application will be taken by Executive Decision of the Council's Cabinet having had due regard to all of the facts of the case, the option appraisal undertaken and with reference to the Council's Empty Homes Policy.
- 4.17 The development of the case to progress to an EDMO could be developed by any Council service. It is anticipated that in most cases, however, the lead service will be the Housing & Environmental Health Service, with direct support from the Council's Legal & Democratic Services, Estates team, and Finance.
- 4.18 Relevant professional officers of the Council will advise Cabinet of the benefits of pursuing such an Order against the identifiable risks associated with any individual case.

Voluntary Purchase:

- 4.19 Where contact has been made with an owner of a property that cannot be sold on the open market, or there would be a significant benefit to the Council or a partner Registered Provider of social housing, in certain circumstances, the Council may consider purchasing the property. This may be through partnership working with a Registered Provider or other appropriate partner, to facilitate the purchase, and for the property to be brought into use. The intention would always be to bring the property back into use and/or to redevelop or regenerate the land for the purposes of residential accommodation, unless part of a wider regeneration scheme.
- 4.20 Any arrangement with third party housing providers would include an agreement that the property is brought back into use within an agreed period.
- 4.21 Voluntary purchase will only be considered where all other enforcement action is deemed unsuitable or not cost effective, or where it is a necessary step to achieving enforcement (such as part of the process towards achieving a Compulsory Purchase Order).
- 4.22 The decision to pursue a voluntary purchase will be taken by Executive Decision of the Council's Cabinet having had due regard to all of the facts of the case, the option appraisal undertaken and with reference to the Council's Empty Homes Policy.

- 4.23 The development of the case to progress to a Voluntary Purchase arrangement could be developed by any Council service. It is anticipated that in most cases, however, the lead service will be the Housing & Environmental Health Service, with direct support from the Council's Legal & Democratic Services, Estates team, and Finance.
- 4.24 Relevant professional officers of the Council will advise Cabinet of the benefits of progressing a voluntary purchase against the identifiable risks associated with any individual case.

Enforced Sale:

- 4.25 Where there is a debt to the Council that remains unpaid, the Council will consider forcing a sale of the property to recover its costs. This could be, for example, from unpaid Council Tax or where the Council is required to spend money in default of an owner after a statutory notice has been served and the owner does not repay the costs to the Council. The Council will then consider the most appropriate follow up action for the property on an individual basis. This could be by sale to a Registered Provider, sale on the open market, or disposal to Valley Housing Ltd.
- 4.26 The decision to pursue Enforced Sale will be taken by Executive Decision of the Council's Cabinet having had due regard to all of the facts of the case, the option appraisal undertaken and with reference to the Council's Empty Homes Policy.
- 4.27 The development of the case to progress to an Enforced Sale could be developed by any Council service. In this instance, in light of the most likely debt to the Council arising through Council Tax, it is anticipated that the Revenues Service, with direct support from the Council's Legal & Democratic Services, Estates team, and Finance may be the lead service in these instances.
- 4.28 Relevant professional officers of the Council will advise Cabinet of the benefits of progressing an Enforced Purchase against the identifiable risks associated with any individual case.

Compulsory Purchase Orders:

4.29 Compulsory Purchase Orders (CPOs) are a sanction of last resort and there must be a compelling case in the public interest to pursue one. The Council must be able to demonstrate that:

- We are authorised by statute to purchase land compulsorily and the CPO is necessary to achieve this purpose.
- There is a compelling case in the public interest which justifies interfering with the rights of those with an interest in the land.
- We have taken into account Article 1 (Protection of Property) and Article 8 (Protections of a Person's Home) of the European Convention of Human Rights.
- We have adequate resources to implement the CPO within a reasonable time frame. (*The Council will carefully consider the necessary funding in each specific case before moving ahead*).
- There is no reasonable alternative means of bringing about the objective of the CPO –for example, to bring the property back into use or to utilise the land for an alternative dwelling.

4.30 Negotiations for acquisition by agreement should have been pursued in all cases, and been demonstrably fruitless, before a CPO can be progressed. In this context, see also 'Voluntary Purchase' above.

4.31 In cases where the Council believes it would be appropriate to pursue a CPO, it will seek support to use its powers to CPO the land from the Council's Cabinet (through their recommendation to Council where appropriate) having due regard to all the facts of the case and having obtained the necessary information as required and as referenced in Annex 2 of this policy.

4.32 To identify a property/site for progressing to a CPO the following must be considered and meet at least one of these criteria:

- It has a detrimental effect on the area; or
- All appropriate enforcement powers available to the Council have been exhausted; or
- It affects the stability of adjoining residential properties; or
- It is attracting anti-social behaviour; or
- When a residential property is considered for CPO for housing purposes, information needs to be provided on the housing stock available and the need for that type of accommodation; or
- It has been identified as necessary to bring forward a development/regeneration area/site.

4.33 Having met these conditions, the following additional criteria may also prioritise those that are pursued:

- Squatted properties (*with due regard to the Council's duties under Part 7 of the Housing Act 1996 – Homelessness*), and unlawful trespassers;

- Residential properties causing a nuisance to neighbours;
 - Land or property needed to bring forward development;
 - Residential properties identified by the Police as causing particular problems in terms of crime; and
 - Residential properties within or adjacent to regeneration schemes and which might benefit the overall aims of the project.
- 4.34 Relevant professional officers of the Council will advise Cabinet of the benefits of pursuing such an Order against the identifiable risks associated with any individual case.
- 4.35 The principles below are set out as a guide for officers working on empty property with a view to potential CPO:
- Any case for compulsory purchase must include proposals for the property or land in the event that a CPO is confirmed.
 - The Council needs to be satisfied at the outset of the CPO process that its aims for the site or property are likely to be achieved and funding needs to be allocated.
 - With an empty home, a change of ownership by itself is very likely to see it reoccupied, there may be extensive repairs and improvements required.
 - Where the aim is to secure redevelopment, more details will be required as to how this will be achieved.
 - The issue of whether planning permission will be required for the final development will need to be addressed, and whether it should be obtained before the CPO is confirmed.
 - In the event of planning permission being obtained after the CPO is confirmed, it should be clear that there will be, in all probability, no impediments to achieving a suitable permission.
 - In either case the council will need to consider the funding available for the CPO project. The costs may, for example, be provided wholly or mainly by a third party.
 - Proposals will be dependent on the type and location of the site or property but may include the sale of the property on the open market which may be through a property auction using a local preferred agent.
- 4.36 If a CPO proceeded then the owner would be entitled to various forms of compensation which partly reflect the value that the property would be expected to achieve on the open market.
- 4.37 The Crichel Down Rules apply to any land acquired by or under threat of compulsion, and mean that if the Council intends to sell or dispose of the property, the previous owners must be given right of first refusal. There is an exemption where the Council may have purchased the dwelling for onward sale to a Registered Provider.

General Statement - Policy Position:

- 4.38 The Council reserves the right to determine the action it may decide to take in the particular circumstances of any empty property.
- 4.39 Whilst this policy sets out the type of enforcement action the Council may consider taking, it does not pre-ordain the action that the Council will take and nor does it fetter the Council's discretion to act in a way that it considers to be proportionate in any individual case.
- 4.40 Whilst the policy sets out the Council's general approach, it does not imply that all empty homes within the borough will be dealt with in the context of the policy. Rather, the policy will act as a framework against which the Council may consider taking specific types of action to address issues arising in any particular instance of an empty property.

5. Hierarchy of Action: Enforcement

Advice and information to empty property owners and local residents		
Help owners to sell the property: <ul style="list-style-type: none"> - Advice on estate agents/auctions - Incentives 	Help owners to rent the property: <ul style="list-style-type: none"> - Providing information on being a landlord - Discussing the Housing Options Tenant Finder service - Reviewing incentives 	
Signposting tenants to landlords Where property is ready to let, in an area of housing need, and the owner is prepared to manage the property themselves – signposting of tenants to landlords and support through the housing options Tenant Finder Service		
Consider grants/loans Refer to current Private Sector Housing Renewal Policy		
Enforcement Action: Improving Condition of Property	Where property is adversely affecting amenity of an area, the Council may serve Section 215 Notice (Town & Country Planning Act 1990)	Planning Enforcement
	Where property is dangerous or requires boarding up, the Council may carry out works or require that the owner carries out works to make the property safe (Building Act 1984)	Building Control
	Where a property is likely to become a danger to public health (Public Health Act 1936), is causing a statutory nuisance (Environmental Protection Act 1990), requires securing against unauthorised entry (Local Government (Miscellaneous Provisions) Act 1982) or where there are pest control issues (Prevention of Damage by Pests Act 1949) the Council may serve notices or carry out works to remedy conditions	Environmental Health/Private Sector Housing
	Where a hazard exists at a property that has the potential to result in harm (Housing Act 2004) the Council may serve notices or carry out works to remedy conditions although this would have to affect occupants or visitors to the property	Private Sector Housing
Enforced Sale Where a local land charge has been made on a long term empty property due to an outstanding debt (possibly through enforcement action outlined above), the Council can force the sale of the property to a third party.		
Empty Dwelling Management Order (EDMO) Where property has been empty for over 2-years for no apparent reason and the owner has refused all reasonable offers of assistance. The property must be in area of housing need and no prospect of property becoming occupied under current owner. The Council would facilitate any capital works needed to allow the property to be leased and used to accommodate people in housing need. An interim EDMO can be obtained but the Council will need to assess costs against potential income when applying for a final EDMO – Housing Act 2004.		
Compulsory Purchase Order (CPO) Where a property is long term empty, in poor condition, and in an area of housing need, ultimately for those owners who fail to re-use their property the threat and use of CPO will be considered. This power is most appropriate for property which requires extensive renovation and where an EDMO is unlikely to be persuasive or cost-effective – Housing Act 1985.		

6. Resources

- 6.1 There are no specific budgetary allocations for improving a property subject to an EDMO or CPO. Additional funding requests would have to be submitted through the Council's normal processes.
- 6.2 It is anticipated that the cost of improvements for properties subject to an EDMO would be recovered from rent received when letting out the property and therefore there will not be an overall cost to the Council. Where it is identifiable that the Council may be unable to recover costs (e.g. because the anticipated costs of renovation are very high and/or the rent likely to be achieved over the life of the EDMO would not be sufficient to cover costs), this may have a direct bearing on the Council's decision to progress with this action.
- 6.3 The resale of any property subject to a CPO should recover most costs at least incurred in the purchase process including any compensation payments. There may be a risk of not recovering all costs in some cases.
- 6.4 Resources for carrying out the alternative stages of the policy will be met from existing staffing budgets.
- 6.5 Consideration will be given to targeting the Affordable Housing Capital Fund where properties may be brought back into use as affordable housing, subject to relevant case by case considerations, including available finance within any partner agency in the purchase of empty properties for this purpose. This includes consideration of negotiating Voluntary Purchase.
- 6.6 Potential external sources of funding may be explored before consideration is given to targeting Council funds for the purposes of purchasing empty dwellings (either through compulsory or voluntary means).

7. Council Tax – Empty Homes Premium

- 7.1 The Council may make use of available powers to charge a premium on Council Tax payable on empty homes. This is in the interests of deterring homes from being left unoccupied.
- 7.2 The Council will consider the financial and equalities impacts of introducing the higher tariff premiums to Council Tax charges in future years and in light of any future changes to the regulations affecting Council Tax.

8. Monitoring & Review

- 8.1 This policy will be reviewed periodically and at least every five years.
- 8.2 Further interim reviews may be prompted by changes in legislation, guidance, cases taken, or feedback on enforcement action.

- 8.3 Minor amendments to the policy will be approved by the Head of Housing and Environmental Health, in consultation with the Head of Legal & Democratic Services and with approval from the Cabinet Member for Housing & Environmental Health. This includes any amendments that may be made specifically to reflect changes in the law and statutory guidance where these may be appropriate.
- 8.4 Significant amendments and changes to policy will be approved by Cabinet.

Annex 1: Background Information on EDMO

1. There are a number of prescribed exceptions which would prevent an Order from being pursued. These are defined in section 134(1)(b) of the Housing Act 2004. An empty dwelling falls within a prescribed exception if:
 - a) it has been occupied solely or principally by the relevant proprietor and is wholly unoccupied because—
 - i. He is temporarily resident elsewhere;*
 - ii. He is absent from the dwelling for the purpose of receiving personal care by reason of old age, disablement, illness, past or present alcohol or drug dependence or past or present mental disorder*
 - iii. He is absent from the dwelling for the purpose of providing, or better providing, personal care for a person who requires such care by reason of old age, disablement, illness, past or present alcohol or drug dependence or past or present mental disorder; or*
 - iv. He is a serving member of the armed forces and is absent from the dwelling as a result of such service;*
 - b) it is used as a holiday home (whether or not it is let as such on a commercial basis) or is otherwise occupied by the relevant proprietor or his guests on a temporary basis from time to time;
 - c) it is genuinely on the market for sale or letting;
 - d) it is comprised in an agricultural holding within the meaning of the Agricultural Holdings Act 1986 or a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995;
 - e) it is usually occupied by an employee of the relevant proprietor in connection with the performance of his duties under the terms of his contract of employment;
 - f) it is available for occupation by a minister of religion as a residence from which to perform the duties of his office;
 - g) it is subject to a court order freezing the property of the relevant proprietor;
 - h) it is prevented from being occupied as a result of a criminal investigation or criminal proceedings;
 - i) it is mortgaged, where the mortgagee, in right of the mortgage, has entered into and is in possession of the dwelling; or
 - j) the person who was the relevant proprietor of it has died and six months has not elapsed since the grant of representation was obtained in respect of such person.

2. When applying for an Interim EDMO, the Council must show the First Tier Tribunal (Property Chamber) that:
 - i. The Council have made all reasonable efforts to notify the owner of its decision to apply for an authorisation for an interim EDMO were made, giving the owner at least three months warning before doing so.
 - ii. All other interventions have been considered and rejected.
 - iii. the property has an adverse effect on the neighbourhood i.e. it is causing a nuisance and blighting the local community and the community supports the course of action.
 - iv. The property does not fall into one of the prescribed exemptions.
3. Any tribunal would only authorise the Council to make the interim Order if they decide it is in the interests of the community and taking into account the effect that the Order will have on the relevant proprietor. The proprietor could attend any tribunal hearing and make a case that they were taking steps to bring the property back into use. This may include that they are carrying out repairs or seeking to clear a property of belongings (e.g. furniture) prior to either sale or letting the property out. On balance, a tribunal may not then make an Order, however, this would be a decision for the tribunal. This means there is no guarantee that an application for an EDMO will succeed as each case must be judged on its individual merits.
4. The tribunal could also order the Council to pay compensation to the proprietor for interference with their rights.
5. If the Order is made the Council would then need to take the necessary steps to secure that the dwelling is occupied, this could include paying to bring the property up to a reasonable condition. The interim Order will last 12 months unless it is discharged before then (or a final Order is made). The property - when it is subject to an interim EDMO - can only be let with the consent of the proprietor. If consent is not forthcoming, the Council can make a final Order and then the property can be let without the proprietor's consent. Any final Order will last for a maximum of 7 years.

Annex 2: Background Information on CPO

CPO Regulatory Framework:

1. Guidance on the Compulsory Purchase Process and The Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion was published by the then Department for Communities and Local Government (now Ministry for Housing, Communities and Local Government) in 2015 and was last updated in February 2018. The guidance is available here:
<https://www.gov.uk/government/publications/compulsory-purchase-process-and-the-crichel-down-rules-guidance>
2. The guidance is extensive and will be taken into account, including changes in practice arising from primary legislation and case-law, when deciding how to proceed in each case. The decision to proceed with CPO powers in any particular case will be via Executive approval in conjunction with Officers of the Council.
3.
 - i. Section 226(1)(a) Town and Country Planning Act 1990 (as amended) provides the Council with wide power to acquire land and buildings to facilitate their improvement, development or redevelopment provided this will bring social, environmental or economic benefits. It does not matter that the improvement, development or redevelopment is to be carried out by a third party, such as a purchaser from the Council. This power will often be used where a vacant site is subject to CPO so that development can be undertaken by a third party. It can also be used to CPO an empty home which is in poor condition, where it can be said that the compulsory acquisition of the house will secure its 'improvement'. The MHCLG guidance says: *'This power is intended to provide a positive tool to help acquiring authorities with planning powers to assemble land where this is necessary to implement proposals in their Local Plan or where strong planning justifications for the use of the power exist. It is expressed in wide terms.....'*
 - ii. Section 17 of the Housing Act 1985 gives local authorities the power to acquire land, houses or buildings for the purpose of improving and providing housing accommodation. This power can be used to acquire empty homes. It can also be used to acquire land and buildings for housing development. In both these cases there is often a choice of whether to use housing or planning powers. MHCLG guidance provides: *'Where an authority has a choice between the use of housing or planning compulsory purchase powers the Secretary of State will not refuse to confirm a compulsory purchase order solely on the grounds that it could have been made under another power'*. It should be noted, however, that it is only possible to use planning powers to CPO an empty property where the property is in poor condition and in need of *improvement*. For the purpose of this policy, and in this specific context, it should be considered better when seeking to CPO an empty property to use the housing power.

- iii. The Acquisition of Land Act 1981 contains the statutory procedures for the making and confirmation of CPOs. Comprehensive guidance on the general procedure for CPOs is contained in MHCLG online guidance. In particular it provides guidance on CPOs used for planning and housing purposes. The test set out in the online guidance that the Secretary of State applies in deciding if a CPO should be confirmed is that of '*a compelling case in the public interest*'. This is also the test that a local authority should apply in deciding if it should make a CPO. Any CPO that interferes with the human rights of those with an interest in the land - if the *compelling case* test is met - any interference with those rights is proportionate and lawful.
 - iv. If the empty property is a listed building in poor condition, Section 47 of the Planning (Listed Buildings and Conservation Areas) Act 1990 also permits the use of CPO.
4. For ease of reference, a highly simplified description of the Compulsory Purchase procedure has been included here. The process outlined is dependent on the initial investigations (e.g. agreement of the extent of the site and full title investigations) being successfully undertaken and in the context of the considerations set out above. *Every effort must be made to acquire by agreement or to negotiate empty property back in use. CPO is used as a last resort.*
 5. Once initial investigations have been carried out, and the relevant officers including Senior Management Team are satisfied there are realistic prospects of success and would – where appropriate – represent prudent use of public funds, the process for this scheme is briefly outlined below:
 - a) Executive resolution to declare and make a CPO.
 - b) Preparation of statement of reasons – justification on why the CPO is required.
 - c) Making the Order and notifying known owners and occupiers then submitting the Order to the appropriate Secretary of State for Housing, Communities and Local Government – this includes the Statement of Reasons. The making of the Order is advertised and is available for general inspection as well as being served on all parties with an interest in the dwelling.
 - d) If no objections are received within the objection period (a minimum of 21 days must be allowed) and the Minister is satisfied proper procedures have been followed; he can confirm the order without modification, subject to modification (e.g. certain properties are excluded from the Order) or reject it.
 - e) If objections are received, the matter can be dealt with by written representations or at a public inquiry. The Council will have to provide a full

statement of case for the inquiry. This process will generally take a year to reach a decision.

- f) The Inspector heading the public inquiry provides a written report for the confirming Minister with his recommendations and the confirming Minister then either confirms, modifies or rejects the Order.
- g) Following confirmation of the CPO (providing proper procedure is followed and relevant notices served) a General Vesting Declaration can be executed which transfers all the land into the Council's ownership, with the compensation payable to the owners and occupiers to be agreed later, if not already agreed at the time. This part of the process is likely to take around 4 months.
- h) In the event that compensation cannot be agreed between the Council and the claimant, then the compensation will be determined by the Upper Tribunal (Lands Chamber).

NOTE: This is a very simplified version of the CPO procedure and should not be used as a definitive guide.

ITEM 11

Exclusion of the Public

Recommended:

That, pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the consideration of the following report on the following matters on the grounds that they involve the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, indicated below. The public interest in maintaining the exemption outweighs the public interest in disclosing the information for the reason given below:

Valley Housing Business Plan

Paragraph 3

It is considered that this report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the financial or business affairs of both the Council and third parties.

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