

CABINET

SUPPLEMENTARY AGENDA

When: Tuesday 5 December 2023 at 18:30

Where: Council Chamber, Civic, 1 Saxon Gate East, Milton Keynes, MK9 3EJ.

Agenda

- 10. Council Tax Base 2024/25 (Pages 3 - 12)**
Annex A – Consultation Responses

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COUNCIL TAX BASE ESTIMATE 2024/25

**Response to Consultation on Changes to Council Tax premiums**

Purpose: To present the results of the local consultation on changes to Council Tax premiums for long term empty and seconds homes.

Background

Following the Government's Levelling-up and Regeneration Act, which came into force on 26 October 2023, local councils can now charge higher council tax on properties that are defined as long term empty homes and properties that are only occupied occasionally (second homes). This is called the Long-Term Empty Property Council Tax Premium and Second Home Council Tax Premium.

The consultation set out two changes that MKCC is considering:

- Proposal one: from 1 April 2024, to reduce the length of time a property can be unoccupied and unfurnished before being charged an additional 100% council tax premium (2x the current council tax amount) from the current two years to one year.
- Proposal two: from 1 April 2025, to increase the council tax payable by 100% (2x the current council tax amount) on a second home property, where there is no resident, and which is substantially furnished.

The Government recognises that there may be circumstances where it might not be appropriate for council tax premiums to apply and will be providing a list of exceptions to the council tax premiums. It is expected, but not yet confirmed, that the following may be excluded from the Council Tax premium:

- Where probate has been awarded a 12-month exception from the premium at the end of the statutory 6-month exemption period.
- Where a property is being actively marketed for sale or to let a 6-month exception from the premium)
- Will not apply to annexes forming part of or being treated as part of the main dwelling.
- Will not apply to properties currently receiving a 50% job related second home discount.
- Will not apply to occupied caravan pitches and boat moorings.
- Will not apply to seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation.

The consultation was published on the MKCC website from 1 November 2023 to 28 November 2023 and was promoted through social media channels. Letters were also sent to all Preceptors in order that they may comment on the proposed changes.

Response to Consultation

A total of 27 responses were received during the consultation period.

- Number from Parishes = 2
- Number from organisations = 1
- Number from residents = 24

The responses were:

- Against the proposed changes = 3
- Supporting the proposed changes = 22
- No opinion offered = 2

Details of the responses can be found in the Appendix. Some of the responses provided suggestions of amendments that might be made, and it is considered that these will be taken account of within the Government's exceptions, when published.

In addition, public comments were received on social media posts promoting the consultation. The comments are not included in the Appendix as they are not a formal response to the consultation, but in summary:

- Against the proposed changes = 12
- Supporting the proposed changes = 9

Appendix

Comments received against the changes to premiums

R1

In my opinion it is wrong and immoral to charge extra Council Tax on empty properties. In fact it is wrong and immoral to charge any Council Tax on empty properties as those properties are not using any Council services.

There should be a reasonable grace period for no Council Tax where people have had to ask tenants to vacate in order to sell the property.

Ripping off people just for the sake of it is not acceptable.

R2

answer to proposal 1: no

answer to proposal 2: no

R3

I object to these proposals - I had to pay the council tax (less 25% discount) & received nothing for it, it's unfair now paying double is unjust

I was unable to move in to my property after evicting bad tenants, it took months to fix the immediate problems they created & then I landed in hospital & I was unable to return to resolve the issues - under your proposals I would have been further disadvantaged by my former tenants actions by your unfair tax

Comments received supporting the changes to premiums

R4

Yes I agree. Having acted in the past for second home owners as landlords and multi occupation home owners I am appalled at the levels of greed perpetrated by these people and many unfair standards and expense they levy on their tenants. I appreciate some will see this as a "service" but I see it as exploitation and therefore they should pay extra in their council tax for a service they themselves are exploiting

R5

As a parent of a 30 year old who cannot afford to pay rent or get a mortgage, I wholeheartedly agree with both the proposals of your consultation. I don't imagine either proposal will make my daughters wish to buy or rent any easier, but perhaps if there were less homes laying vacant, there would be more choice and therefore they may become cheaper.

R6 (Future Wolverton)

In this instance, and maybe for other situations where a property is being kept willingly empty around Milton Keynes, I do think that requiring the owner to pay some Council Tax might be the incentive to do something. The negative impact that this property is having on the local area, and on the Canal-scape (a gateway into Milton Keynes) should surely impact the Council's policy?

Finally, I know this consultation is about residential property, but I do think there is a strong case for the Council to look at business rates on empty high street property. We have several retail units in Wolverton Town Centre that are being deliberately kept empty as a result of the redevelopment of the Agora centre, with a view to "cashing in" and selling the units post regeneration. This has a negative impact on the High Street, and on local people, and there must be something that can be done in policy terms to encourage those owners to do something, if only to offer their property for "meanwhile" use.

R7

I was really pleased to see that there are proposals for reducing the length of time a property can sit vacant before doubling council tax, and to double council tax on second homes. I would like to thank you for considering taking steps towards dealing with the out-of-control housing market in MK.

I am 45 and back home with my parents after my last two efforts to move out proved too expensive on a single income. The prices of both mortgages and rent are just prohibitive for so many people now. MK is particularly difficult as prices are very high compared to wages. I would happily move away to a cheaper area (although I think it is a shame that MK born-and-bred people have to do so), but with ageing parents this isn't practical nor fair on them. So I have found myself trapped by the high cost of renting and buying in MK for someone who is on their own. My brother is similarly back at home and unable to stretch to buy or rent anything in MK.

Most painful of all is watching homes sit empty - our next door neighbour's house stood empty for literally years and years - perhaps 15-20 years - until the owner passed away just a few years ago and her children got hold of it and sold it. One of the houses over the road has similarly been empty for many years following (so I understand it) a messy divorce and unwillingness to sell the house and relinquish part of the equity to the ex-partner. Revenge, and perhaps deserved (not my place to judge!), but the cost is borne by people like me as house prices rise with demand outstripping supply seemingly. I would really like to see councils having the power to force the sale or rental of a property that has been empty over a specified minimum term.

The other factor is environmental - all the time we allow empty homes and second homes blocking up housing stock, we are forced to build new homes to try and keep up with rising demand. MK is particularly burdened with building new homes, and this comes at a devastating cost to the environment. Most obviously, the carving up of the beautiful countryside around us and all the homes it provides for wildlife, but also the removal of older trees with their intrinsic value to wildlife, use of concrete (with its huge carbon footprint) and other unsustainable raw materials, all the energy used in construction and machinery, use of virgin materials, landscaping new estates with plants supplied in virgin plastic pots, weeds sprayed off with horrible chemicals before planting, endless waste etc.

Anything you can do as a council to make the stretch to having a home of any sort easier for local residents would be greatly appreciated. These two proposals are a positive step, I hope they are successful!

R8

Just chipping in to say I'm really on board with this idea. I think it'll lead to more houses being available and adequately taxes those wealthy enough to own multiple properties. It's a sorry state of affairs when a great many of us can't afford our own home and are paying

through the nose for rent while others own multiple homes. Simple as that for me. If you're going to own more than one home, you should be taxed accordingly.

On the proposals, I would opt for BOTH limiting vacancy to one year and charging twice the council tax on vacant properties beyond the two year limit.

R9

I agree with both proposed changes. It is a travesty when properties sit empty and unoccupied given the number of homeless families in Milton Keynes.

The property next door to my home currently sits empty and has been for 2 years since it was purchased by a company/developer who has been refused planning permission for their intended changes and has wholly ignored and neglected the property ever since, causing it to become an eyesore and risk for trespassing/squatters.

I hope the council implements changes to charge second home owners and owners of unoccupied properties more council tax and sooner.

R10

We do agree with the proposal on increasing the council tax on empty properties and second homes.

R11

As a local resident I have personally experienced the negative impact vacant second homes can have on a community. In our previous home in Bradwell Common a high number of the properties were purchased by Saudi nationals whom often only stayed in the properties occasionally. This meant a once thriving community where neighbours supported each other was reduced as houses are often sitting empty. The community networks like neighbourhood watch is also negatively impacted making burglary and other crimes more likely.

I whole heartedly support both proposals.

In short; I fully support these proposals.

R12

I'm a current homeowner (I own one residence in Wolverton and live in it full time).

With the correct exemptions and perhaps with a means to appeal, it should be safe to enact without anyone getting unfairly penalised.

With years of woeful house building levels under our belts we simply cannot afford to have unproductive residences, and being creative in this way should go some way to levelling the playing field for those in the future.

I say this with the knowledge that I'm an unqualified commentator, but I would go even further. I don't see any reasonable justification for anyone to own more than one residence over the long-term, and there should be a system for surcharging additional properties regardless of whether it is in productive use. Housing is so vital for every single human I don't understand why it can be seen as fair game to be exploited by those with enough money to profit off the backs of others. I say this as someone who has the means to own more than one property.

R13

We live in Milton Keynes MK14.

And we support the idea to increase the tax on empty properties and second homes.

This action could urge the owners to sell/rent unused properties which could ease the housing crisis a little bit.

At the moment these houses are not better than untaxed cars sitting on roads.

R14

I wish to respond to Proposal One on the Consultation.

When we moved to XX Walton Park in 2015 we did not realise that so many houses were on the rental market; we would not have moved here if we had been aware of this fact. This is not because we have any objection to rented homes *per se* (far from it) but because many of these houses remain vacant for long periods of time. Indeed the house next door to us has been vacant since June - which is, of course, not long enough to trigger the premium charge under the old or the new scheme. However we are aware that it is proposed that the house be put on the market (at some time) at an inflated price. Meanwhile it will continue to slowly decay and, more importantly, is unavailable to house people who need a home. The pressing social need is to ensure that homes are available for rent (or sale) at a reasonable cost and the widespread practice of leaving homes vacant just hikes rents and prices. Proposal One represents, in my view, a modest proposal to bring these houses back into use.

It would be better, but may not be possible, to introduce a scheme whereby the Council Tax premium was triggered if the house remained unoccupied for any twelve months in a two year period.

R15

I think this is a great idea but am unsure how you are going to impose this. Do landlords have to declare when a property is empty?

Hopefully this will make greedy landlords think twice about making the rent so unaffordable.

Well done for trying to tackle the housing crisis from a sensible angle. If this encourages just one landlord to sell to someone who needs it, or put their rent to an affordable rate then it will be a success.

R16

I agree with both the proposals on second homes - decreasing the time they can remain empty and charging double the council tax on them. I hope that will reduce the amount of time that dwellings remain empty.

R17

As a home owner who bought a property to be in a community with neighbours, schools and green environment.

The reality is that for three quarters of the year we have virtually no neighbours as the houses are essentially holiday homes for visitors from abroad.

This means some are empty and furnished for extended periods of time and not maintained. Then during the summer the area is like a holiday camp with cars coming and going at all times and noise from holidaymakers.

Others are advertised as Airbnb's for extortionate rates and are over populated when rented out. Rubbish is out when people leave the property leaving it sometimes days before the collection day.

There seems to be a disproportionate number of people renting out their properties in the area due in some cases to the reasons above.

I agree that owners of homes that are not inhabited for months at a time irrespective of whether furnished or not should have to pay for the uplift in Council tax.

R18

Regarding the consultation on increasing the council tax on empty properties and second homes:

I support both proposals in principle, but would like to see some figures to understand the likely associated costs and revenues.

Reply sent:

Thank you for your response to the consultation

All councils are required to submit a return to the Government each year providing details on the number of properties, discounts, exemptions, empty properties etc and this is published at

<https://www.gov.uk/government/statistics/council-taxbase-2023-in-englandcouncil> , the 2023 statistics were added early this month.

I have copied below the extract from Milton Keynes City Council submission that relates to empty properties and second homes.

Dwellings shown on the Valuation List for the authority on Monday 11 September 2023	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	TOTAL
1. Total number of dwellings on the Valuation List	17,837	34,855	31,349	16,055	12,928	6,962	3,196	0 ¹⁷	123,352
11. Number of dwellings in line 7 classed as second homes on 2 October 2023	97	153	169	150	131	111	51	2	864
15. Total number of dwellings in line 7 classed as empty on 2 October 2023	645	742	527	210	165	88	30	2	2,409
14. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 2 October 2023	94	50	40	14	11	6	5	1	221
16. Number of dwellings that are classed as empty on 2 October 2023 and have been for more than 6 months.	258	272	229	96	78	35	16	2	986

With regard to revenue raised of making the proposed changes, this will be affected by the statutory exceptions that the Secretary of State may define. As yet these regulations have not been published but it is expected that they will be based on responses to the Government's consultation it carried out in August . <https://www.gov.uk/government/consultations/proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-consultation-on-proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-in-england> . Once these are confirmed then an assessment of the expected revenue raised will be undertaken.

With regard to the costs incurred , the Council already has the software to manage the existing long term empty premium and it is expected that the any changes required to this to extend the proposed premiums would be minimal although there could be increased administration costs in resolving any appeals against the liability for the premium.

Kind regards Debra Collins

Thanks for this information.
Yes, I definitely support both proposals then.

R19

I hope this email finds you well. I am writing to express my strong support for Proposal 2 under the new Levelling-up and Regeneration Act, concerning the implementation of an increased council tax on second homes from 1 April 2025.

This proposal, aimed at taxing second homes that are substantially furnished and without a resident, has several notable benefits that align with our shared goal of supporting local communities in Milton Keynes:

1. **Increased Housing Availability:** By incentivizing owners to rent out their second homes, we can significantly boost the local housing supply. This is particularly crucial in areas like ours, where finding affordable rental properties can be challenging.
2. **Community Vibrancy:** Homes that are lived in contribute to the vibrancy and dynamism of our neighbourhoods. Empty homes, in contrast, can lead to a feeling of neglect and underutilization of local resources.
3. **Fairer Taxation:** The proposal ensures a more equitable tax system, where those with the luxury of a second home contribute proportionally to the community's welfare.
4. **Supporting Local Economy:** More occupied homes mean more residents shopping locally, using local services, and contributing to the local economy.
5. **Discouraging Speculative Empty Properties:** This measure acts as a deterrent against keeping properties empty purely for speculative gains, a practice that can artificially inflate housing prices.

I understand that the Government is considering exceptions to avoid penalizing those in special circumstances, which is both fair and reasonable. This thoughtful approach ensures that the policy is not just robust, but also empathetic to individual situations.

I firmly believe that Proposal 2 is a step in the right direction for Milton Keynes, balancing the need to encourage better use of housing stock with the recognition of legitimate reasons for maintaining a second home.

Thank you for considering my viewpoint on this important matter.

R20

Both proposals - 1 and 2 - seem a just way to go forward. There are too many empty homes, and too many people awaiting a home. I'm a home owner and resident of MK since 1986. I hope that makes sense

R21 (Stony Stratford TC)

Stony Stratford Town Council considered this consultation at the Full Council meeting held on 21st November 2023 and agreed to support both the MKCC proposals as laid out in the consultation document: -

Proposal one: from 1 April 2024, to reduce the length of time a property can be unoccupied and unfurnished before being charged an additional 100% council tax premium (2x the current council tax amount) from the current two years to one year.

Proposal two: from 1 April 2025, to increase the council tax payable by 100% (2x the current council tax amount) on a second home property, where there is no resident, and which is substantially furnished.

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- Will not apply to occupied caravan pitches and boat moorings.
- Will not apply to seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation.

We look forward to receiving the results of the consultation.

R27 (Great Linford PC)

I appreciate that the consultation is now closed but our Council meeting was not until the 29th November. At the meeting Great Linford Parish Council were supporting of the Councils two proposals on the Long Term Empty Property Council Tax Premium and Second Home Council Tax Premium.

Supporting the proposals and providing additional points to consider

R22

In response to the proposals, as someone who is trying to prepare a property for letting I would offer the following response.

It can be very challenging to find availability of trades to undertake renovation to a property in preparation for letting. In my case it has taken over 6 months following works approval for the work to begin and will likely take a further 6 months to complete. This is due to

availability of trades and seasonality of the work required (re-roofing) discovered during the initial repairs.

I would suggest that should an owner demonstrate that they are actively engaged in renovation (i.e. commissioned a contractor) and cannot complete due to circumstances beyond their control that the standard rate should apply.

R23

Just to respond to the consultation about council tax for 2nd homes.

I feel it depends on the situation. I agree if the two homes owned by the same person are not for sale and one is just being left idle for a long period. However, if one of the properties is for sale and empty and the housing market is slow it seems harsh to be penalised it with council tax bills.

I am thinking particularly of transition of elderly home owners between increasingly supportive accommodation: independent living moving to warden-controlled or warden-controlled to care home. During this transition, their original home may be empty for a number of months or more due to the sluggish housing market but they already have plenty of outgoings with care costs etc.

R24

I am enormously in favour of reducing the time from 2 to 1 year on second home premiums.

I believe that this will help ensure properties are utilised, help address the serious failings in the housing sector and potentially support MKCC in taking unused homes into use, to support those who are currently unhoused.

I would also support a higher premium, but understand that this is limited by legislation.

I would strongly encourage any communications for second home owners to include links to the MKCC private lettings department, so that those owners who are willing can have knowledge of the options available.

Unclear whether in favour or opposed

R25

As a landlord of a rented property in South Buckinghamshire, I am charged council tax after one month vacancy. If left vacant for two years, the council tax is doubled: [Council Tax charges for long-term empty properties](#)

R26

Quick little one on the syntax or maybe inclusion of people (like me) who bought shared ownership technically we are renters but are we included in the exceptions? my impression is it's harder to sell a shared ownership which means it might stand vacant slightly longer on average than a 100% owned. My intention is still to staircase to full ownership but until my finance is good enough for that and if I potentially would need to move out would you add this to the council suggestion?