

Council Tax- Policy for Second Homes, Long Term Empty Properties and determining discounts and premiums. 2025-26

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1. Introduction and background

- 1.1 The following policy outlines the Council's approach to the levying of Council Tax on empty homes and second homes.
- 1.2 The Levelling Up and Regeneration Act 2023 and the Local Government Finance Act 2012 amended the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts in place of statutory exemptions and also allows for the use of premiums for certain long term empty premises and second homes.
- 1.3 The intention of Central Government is to allow Councils the flexibility in raising additional Council Tax. In addition, Government is keen to ensure that premises do not remain unoccupied or unused for extensive periods and to encourage the maximum use of all available premises within Council areas.
- 1.4 The following policy details the approach taken by the Council.

2. Discounts

Second Homes

- 2.1 Within the Council Tax legislation, a second home is defined as a dwelling, which is no one's sole or main residence but which is furnished. The Council, under this policy, has determined that a charge of 100% will be applied for second homes (a discount of 0%). The charge applies to all cases except where the legislation determines otherwise and, in those cases (as follows), a charge of 50% will apply (rather than the 100%) as required by legislation:
 - Dwellings which are furnished but unoccupied because the owner is liable to a Council Tax elsewhere in job-related accommodation;
 - Empty but furnished dwellings of service personnel resident in accommodation provided by the Ministry of Defence;
 - If the dwelling is a caravan or houseboat; or
 - Where members of the clergy are required to live in accommodation provided by their employer to perform the duties of their office

Definition of Job Related dwelling

- 2.2 The definition of job related dwellings is determined by the Council Tax (Prescribed Class of Dwellings Regulations) 2003 as follows:
 - A dwelling is job-related for a person if it is provided for him by reason of his employment or for his spouse by reason of the spouse's employment, in any of the following cases:
 - (a) Where it is necessary for the proper performance of the duties of the employment that the employee should reside in that dwelling;
 - (b) Where the dwelling is provided for the better performance of the duties of the

employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide dwellings to employees;

(c) Where there being a special threat to the employee's security, special security arrangements are in force and the employee resides in the dwelling as part of those arrangements.

- If the dwelling is provided by a company and the employee is a director of that or an associated company, the definition shall not apply unless:
 - (a) The employment is as a full-time working director;
 - (b) The company is non-profit making, that is to say, it does not carry on a trade nor do its functions consist wholly or mainly in the holding of investments or other property, or
 - (c) The company is established for charitable purposes only.

2.3 A dwelling is job-related for a person if he or his spouse is required, under a contract to live in that dwelling. This does not apply if the dwelling concerned is in whole or in part provided by any other person or persons together with whom the person or spouse carries on a trade or business in partnership.

2.4 For the purposes of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings)(England)(Amendment) Regulations 2012 the Council is required to determine the classes under which a discount will be granted. For the purposes of this policy the classes and discounts granted by the Council are as follows:

Class	Description	Discount
A	A dwelling; (a) Which is not the sole or main residence of an individual; (b) Which is furnished; and (c) The occupation of which is restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year	0%
B	A dwelling; (a) Which is not the sole or main residence of an individual; (b) Which is furnished; and (c) The occupation of which is not restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year;	0%

Empty dwellings

2.5 For Council Tax purposes, the legislation determines that an empty dwelling is one which is unoccupied and substantially unfurnished dwellings. The Council has resolved that in accordance with Class C of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings)(England)(Amendment)Regulations 2012, **no** Class C discount will be given and a full charge (100%) is payable. The 100% charge will then continue until such time as it becomes re-occupied.

Empty dwelling, requiring, or undergoing structural alterations or major repair works to make it habitable.

2.6 The rules for this are based on the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings)(England)(Amendment) Regulations 2012. During this time the Council can determine (in accordance with Class D of the regulations) the level of discount between 0% and 100%. Class D is defined as every chargeable dwelling:

- (a) Which satisfies the requirement set out in paragraph (b) unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question;
- (b) The requirement referred to in paragraph (a) is that the dwelling is vacant and:
 - (i) Requires or is undergoing major repair work to render it habitable, or
 - (ii) Is undergoing structural alteration; or
 - (iii) Has undergone major repair work to render it habitable, if less than six months have elapsed since the date on which the alteration was substantially completed and the dwelling has continuously remained vacant since that date;
- (c) For the purposes of paragraph (b). above 'major repair work' includes structural repair work;
- (d) For the purposes of Class D, a dwelling is vacant on any day if on the day;
 - (i) In the case of a dwelling consisting of a pitch occupied by a caravan or a mooring occupied by a boat, the caravan or boat is unoccupied;
 - (ii) In any other case, the dwelling is unoccupied and substantially unfurnished; and
 - (iii) In considering whether a dwelling has been vacant for any period, any one period, not exceeding six weeks, during which it was not vacant shall be disregarded.

2.7 The Council has resolved that no discount is to be given in respect of Class D and that a full charge (100%) would be payable for any premises falling within the category.

3. Council Tax Premiums

3.1 Premiums were introduced by government from 1 April 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term.

3.2 The legislation which introduced premiums is S11B of the Local Government Finance Act 1992 (inserted by the Local Government Finance Act 2012). Premiums could only be charged on long-term empty dwellings. An empty dwelling is one which is 'unoccupied' and 'substantially unfurnished'. The definition of 'long-term' is where the dwelling has been empty for a continuous period of at least 1 year.

3.3 Initially the maximum level of premium was set by government at 50% of the amount of Council Tax chargeable. Each Council could determine the level of premium up to the

maximum and this is charged in addition to the amount determined by the Council as payable for an empty dwelling¹

3.4 Certain classes of dwellings cannot be charged a premium namely:

- a dwelling which would be the sole or main residence of a person but which is empty while that person resides in accommodation provided by the Ministry of Defence by reason of their employment i.e., service personnel posted away from home²; or
- dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property³.

3.5 In 2018 the Rating of Property in Common Occupation and Council Tax (Empty Dwellings) Act allowed authorities to increase the level of premiums on empty dwellings with effect from 1 April 2019 as follows;

- Dwellings left unoccupied and substantially unfurnished for 2 years or more, - from 1 April 2019 a premium can be levied up to 100%;
- Dwellings left unoccupied and substantially unfurnished for 5 years or more, - from 1 April 2020 a premium can be levied up to 200%; and
- Dwellings left unoccupied and substantially unfurnished for 10 years or more, - from 1 April 2021 a premium can be levied up to 300%.

3.6 It should be noted that premiums are charged in addition to the 100% Council Tax payable on empty premises.

3.7 Government, together with local authorities (including the Council) has unfortunately seen a rise in the number of empty homes together with a growth in second homes.

3.8 Inconsistencies in the legislation have also been identified whereby a premium can be avoided by the taxpayer merely furnishing an empty premises, when it would become a 'second home' which currently has a maximum charge of 100% with no premium.

3.9 In order to address these inconsistencies, and also to bring more dwellings into use, government has introduced sections within the Levelling Up and Regeneration Act 2023 (the Act).

3.10 This policy details the Council's approach in the charging of premiums as allowed within the new legislation.

3.11 The continued pressure on local authority finances (both the Council and the Major Preceptors) together with the need to encourage all owners of domestic premises to bring them back into use, makes it essential that the Council changes its approach to empty homes. The new legislation for second home premiums will encourage the use of dwellings as primary residences.

¹ Under the Council Tax (Prescribed Classes of Dwelling)(England) Regulations 2003 and amended by the Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes C & D.

² Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes E

³ Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes F

Empty homes premiums (From 1 April 2024)

- 3.12 Section 11B of the Local Government Finance Act 1992 (amended by the Levelling Up and Regeneration Act 2023) permits billing authorities in England to impose an empty dwellings premium after one year instead of two.
- 3.13 The Council has resolved to implement the change with effect from 1 April 2024.
- 3.14 Where a dwelling is brought back into use as a person's sole or main residence, the Council will refund 50% of the value of premium paid for the prior 12 months immediately prior to the date the dwelling was brought back into use.

Introduction of premiums for second homes (From 1 April 2025)

- 3.15 The definition of a second home for Council Tax purposes is a dwelling which has "no one resident" but is "substantially furnished".
- 3.16 Section 11C of the Local Government Finance Act 1992 11C permits the Council to apply a premium on second homes. The maximum Council Tax charge in these cases would be a standard 100% charge plus a premium of 100% making a total Council Tax charge of 200%.
- 3.17 Unlike empty dwellings, there is no requirement for a property to have been used as a second home for a fixed period of time before the premium can apply.
- 3.18 As with other changes introduced by the Act, section 11C (3) requires that the first decision to impose this class of premium must be taken at least 12 months before the financial year to which it would apply. In effect this means that premiums for second homes will not take effect until the 2025-26 financial year at the earliest.
- 3.19 The Council has resolved to charge second home premiums with effect from 1 April 2025 and has given the required notice.
- 3.20 The Act provides that a dwelling cannot be subject to both a second homes premium and an empty homes premium imposed under section 11B of the 1992 Act, and that an existing empty homes premium would cease to apply to a property which became subject to a second homes premium.
- 3.21 Where a dwelling is brought back into use as a person's sole or main residence, the Council will refund 50% of the value of premium paid for the prior 12 months immediately prior to the date the dwelling was brought back into use.

4. Exceptions from the empty homes premiums.

- 4.1 Regulations have recently been implemented (The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024) which prevent

the council from applying a premium in certain circumstances. These are as follows and cover both empty dwellings and second homes.

Classes of Dwellings	Premium affected	Summary Description
Class E	Long-term empty homes and second homes	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation
Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of, the main dwelling
Class G	Long-term empty homes and second homes	<p>Dwellings being actively marketed for sale or under an agreement to be sold (12 months limit). The exception will end either when the 12-month period has ended, when the dwelling has been sold (sale of a freehold or where a lease is granted for seven years or more) or when the dwelling is no longer actively marketed for sale. The council will determine:</p> <ul style="list-style-type: none"> • whether the dwelling is clearly advertised for sale; • whether the dwelling is being marketed at a fair market value; • whether there are any artificial barriers placed on the sale by the vendor on the dwelling preventing sale; and • whether the owner is taking any other reasonable steps to market the dwelling for sale. <p>The same owner may only make use of the exception for a particular dwelling marketed for sale once however, the exception may be used again for the same dwelling if it has been sold and has a new owner.</p>
Class H	Long-term empty homes and second homes	<p>Dwellings being actively marketed for let (12 months limit) The exception will end either when the 12-month period has ended, when the dwelling has been let or when the dwelling is no longer actively marketed for let. The council will determine:</p> <ul style="list-style-type: none"> • whether the dwelling is clearly advertised for let; • whether the dwelling is being marketed at a fair market value;

Classes of Dwellings	Premium affected	Summary Description
		<ul style="list-style-type: none"> whether there are any artificial barriers placed on the letting by the owner on the dwelling preventing letting; and whether the owner is taking any other reasonable steps to market the dwelling for let. <p>The same owner may make use of the exception for dwellings marketed for let multiple times, however, only after the dwelling has been let for a continuous period of at least 6 months since the exception last applied</p>
Class I	Long-term empty homes and second homes	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
Class J	Second homes only	Job-related dwellings. The exception will not apply to cases where someone chooses to have an additional property to be closer to work while having a family home elsewhere or where an individual is posted to a new location but maintain their previous address.
Class K	Second homes only	Occupied caravan pitches and boat moorings.
Class L	Second homes only	Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously
Class M	Long-term empty home only	Empty properties requiring or undergoing major repairs or structural alterations (12 months limit). It should be noted that major repairs and structural alterations only apply when it relates to the supporting fabric (roof supporting walls etc) of the premises. Internal alterations, decoration and replacement of kitchens, bathrooms, wiring etc will not be accepted.

Applying for an exception

- 4.2 If any taxpayer is of an opinion that an exception should apply, or the property circumstances have changed, they should notify the Council and provide sufficient

evidence or information to enable the Council to review the circumstances and notify the customer of the outcome.

5. Outcome expected.

- 5.1 The expected outcomes of this policy are as follows:
- (a) Taxpayers will be encouraged, through the implementation of the premiums, to bring empty properties into use and to revert the use of second homes to primary residences;
 - (b) The reduction of empty homes and second homes within the Council's area in line with the Council's Empty Property Strategy; and
 - (c) Increased Council Tax income from empty homes and second homes.
- 5.2 There may be circumstances where the implementation of these changes may cause exceptional hardship to a taxpayer. In such cases, the Council will consider applications for a reduction in liability under its Section 13A (1)(C) of the Local Government Finance Act 1992 - Reduction in Council Tax liability policy.
- 5.3 Where such an application is received, it will be considered on an individual case basis taking into account the circumstances of the taxpayer and the situation regarding the level of Council Tax charged. Should the taxpayer be aggrieved by any decision of the Council a further right of appeal will be with the independent Valuation Tribunal.

6. Legislation

- 6.1 The legislation that covers this policy and the recommendations made is as follows:
- S11A & S11B of the Local Government Finance Act 1992;
 - S11C of the Local Government Finance Act 1992 (as introduced by the Levelling Up and Regeneration Act 2023);
 - The Levelling Up and Regeneration Act 2023;
 - The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024; and
 - S13A(1)(C) Local Government Finance Act 1992 (reduction in liability).

7. Finance

- 7.1 Any amounts received will be part of the Council's Collection Fund and will be shared between the Council and Major Precepting authorities in line with their share of the Council Tax.
- 7.2 Any reduction granted under S13A(1)(c) will be financed through the Council's general fund and do not form part of the Collection Fund.

8. Appeals

8.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.

8.2 The taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and notify the tax payer accordingly.

8.3 Where the taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Council's website or from the Valuation Tribunal Service website.

9. Delegated Powers

9.1 This policy for the Council Tax discounts and premiums has been approved by the Council. However, the Council's Section 151 officer is authorised to make technical amendments to ensure it meets the criteria set by government and the Council.

10. Fraud

10.1 The Council is committed to protecting public funds and ensuring that Council Tax is correctly charged.

10.2 A taxpayer who tries to reduce their Council Tax liability by incorrectly or falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

10.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

11. Complaints

11.1 The Council's complaints procedure (available on the Council's website) will be applied in the event of any complaint received about this policy.