



Council Tax Empty Homes Premium Policy

2025-26

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1. Introduction and background

1.1 The following policy outline that council's approach to the levying of empty homes premiums.

1.2 Empty homes 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.

1.3 The legislation which introduced the 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 2 years.

1.4 Initially the maximum level of premium was set by government at 50% of the amount of the 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 dwelling.

1.5 Certain classes of dwellings cannot be charged a premium:

- 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 but reason of their employment; or
- Dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property.

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

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

1.8 Government, together with the local authorities (Including the Council) has unfortunately seen a rise in the number of empty homes.

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

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

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

1.12 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 in to use, makes it essential that the Council changes its approach to empty homes.

2. Empty Homes Premium from 1 April 2025

2.1 Section 79 (1) (b) of the Levelling up and Regeneration Act 2023 permits the Council to impose an empty homes premium after one year instead of two years. Section 80 of the Act provides that from 1 April 2024, a property can be charged an empty homes premium at 100% after one year, even if it became empty before 1 April 2024.

2.2 The Council has resolved to implement the change with effect from 1 April 2025.

- 100% levy of the council tax on a property empty for 1 year or more
- 200% levy of the council tax on a property empty for 5 year or more
- 300% levy of the council tax on a property empty for more than 10 years

2.3 The legislation requires the council to be mindful of any guidance or further regulation in relation to the implementation of the premiums and this is detailed in Section 4 of this policy.

3. Exceptions from the Empty Homes Premium

3.1 The government recognises that there may be instances where it may be inappropriate for the council tax premiums to apply. Section 11B and 11D of the 1992 Act enables the government to make regulations to prescribe classes of dwellings in relation to which councils may not make a determination to apply a premium.

3.2 The government has made regulations to provide exceptions to these premiums, in line with the published consultation response. These exceptions to the premium are mandatory and councils may not disapply any exceptions. These exceptions will come into effect from 1 April 2025.

3.3 The regulations prescribe 9 classes of dwellings which are excluded from the council tax premiums. Classes E, F, G, H and I apply to both long-term empty homes and second homes. Classes J, K and L only apply to second homes. Class M only applies to long-term empty homes.

3.4 The classes of dwelling are outlined below and are detailed further in the guidance. These exceptions only exclude these dwellings from premiums, these do not affect the standard rate of council tax they may be liable for. Exceptions may apply in succession where the dwelling meets the necessary criteria. Councils may add extensions to exceptions as a part of their determination or may provide support through discretionary reductions using powers under Section 13A of the Local Government Finance Act 1992.

Classes of Dwellings	Application	Definition
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	Dwellings being actively marketed for sale (12 months limit)
Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit)
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
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 dwellings requiring or undergoing major repairs or structural alterations (12 months limit)

Annexes and military accommodation (Class E and Class F)

Two mandatory exceptions from the empty home premium already exist:

- a dwelling which is or would be the sole or main residence of a member of the armed services, who has been provided with a dwelling as a result of such service
- a dwelling which forms part of a single property with one or more other dwellings that is being used by a resident of one of the other dwellings as part of their sole or main residence

These exceptions will continue to apply for empty homes and will also be applied in the case of the second homes premium.

Job related dwellings and caravan pitches/boat moorings (Class K and Class L)

The council tax system already contains provisions which ensure that in certain circumstances these dwellings receive a 50% council tax discount. The government does not intend to change the discounts which these dwellings receive. The exceptions mirror the provisions of these discounts to ensure these dwellings continue to receive these discounts.

Generally, a dwelling would be classed as a job-related dwelling where it is a dwelling provided by a person's employer for the purposes of performing their work. The definition of a job-related dwelling for the purposes of this exception is set out in the Schedule to the Council Tax (Prescribed Classes of Dwellings) (England) regulations 2003. Examples include headteachers for boarding schools who are required to live in school accommodation, or certain care workers who need to live on site to carry out their role.

Certain households may fall outside the definition of a job-related dwelling; however, the council may determine that it would still not be appropriate for the premium to apply. Councils have the discretionary power to exclude any dwellings from the premium where they consider this appropriate.

Probate (Class I)

There is an existing Class F council tax exemption for dwellings undergoing probate. When a dwelling has been left empty following the death of its owner or occupant, it is exempt from council tax for as long as it remains unoccupied and until probate is granted. Following a grant of probate (or the issue of letters of administration), a further 6 months exemption is possible, so long as the dwelling remains unoccupied and has not been transferred by the executors or administrators to the beneficiaries or sold to anyone else.

Following a grant of probate the owners of the dwelling may require further time to decide how they will manage the home or sell it. The Regulations provide for a 12-month exception to the premium for both second and empty homes. The 12-month period begins from the point probate is granted or letters of administration have been issued. This runs concurrently with the 6-month exemption.

This exception will run for 12 months or until the dwelling has changed owner by being sold. Councils may wish to consider the specific circumstances of the dwelling's owners at the end of the period and whether to use their discretionary power to extend this exception.

Actively marketed for sale or let (Class G and Class H)

The government has been clear that its intention is not to penalise those who are genuinely trying to bring their dwelling back into use as a sole/main residence.

This exception can apply for up to 12 months from the point from which the dwelling has first been marketed for sale or let. The exception will end either when the 12-month period has ended, when the dwelling has been sold or let or when the dwelling is no longer actively marketed for sale or let. The following conditions will apply to this exception:

- the same owner may only make use of the exception for a particular dwelling marketed for sale once
- the exception may be used again for the same dwelling if it has been sold and has a new owner
- the same owner may make use of the exception for dwellings marketed for let multiple times, however, only after the dwellings has been let for a continuous period of at least 6 months since the exception last applied

There are a number of factors which councils may take into consideration when assessing whether a dwelling is being actively marketed for sale or let. These may include:

- whether the dwelling is clearly advertised for sale or let
- whether the dwelling is being marketed at a fair market value
- whether there are any artificial barriers on the dwelling preventing sale/let
- whether the dwelling has an Energy Performance Certificate (EPC)
- whether the owner is taking any other reasonable steps to market the dwelling for sale or let

When considering whether a second or empty home is actively marketed, councils should consider these factors holistically. Whether a home may not meet one of the described factors it may still overall be considered to be actively marketed. Councils may wish to consider further factors in determining whether a dwelling is actively marketed for sale or let.

At the end of the 12-month period, councils may wish to consider the specific circumstances of the owners and whether to use their discretionary powers to extend the exception.

Major repairs (Class M)

The government appreciates in some cases a dwelling may require major repair work before it can be occupied. Where a dwelling requires or is undergoing major repairs or is undergoing structural alteration it may be excepted from the empty home premium for up to 12 months. Where major repairs are completed in less than 12 months, the exception will still apply to the dwelling for up to 6 months or until the end of the 12 months whichever is sooner.

This exception only applies on empty homes. This exception cannot apply again unless the dwelling has been sold. If the dwelling is substantially furnished and becomes a second home without a resident, then this exception will end.

The Council will consider the following when making a determination of whether this exception should apply;

- a) The property is undergoing major repair work to bring it back into a habitable state. Replacements of fixtures and fittings wouldn't usually constitute a major repair i.e. a change of Kitchen/bathroom however, consideration may be given to the underlying reason why the replacement was necessary or if the amount of repair work which individually may be considered minor but, combined could be viewed as significant.
- b) It is undergoing structural repair or alteration.

Seasonal homes (Class L)

The government recognises in some cases certain dwellings may have restrictions on them which means that the dwelling could not reasonably be occupied as a permanent residence. The government's position is that it is right that these dwellings should not be subject to a premium when these dwellings could not be used as a permanent residence.

In applying this exception, councils should consider whether there are any planning restrictions which explicitly set out that the dwelling cannot be used as a main

residence. For example, where this is purpose-built holiday accommodation which can only be used as holiday accommodation.

In addition, this exception provides for dwellings which have planning restrictions whereby they cannot be occupied for at least 28 continuous days in a year. In some cases, a council may assess a dwelling with this restriction as being a person's sole or main residence. Where this is the case, the dwelling would not be liable for the premium since this cannot apply to a main residence.

4. Outcome expected and "Safety net"

4.1 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.
- (b) The reduction of empty homes within the Council's area in line with the Council's Empty Property Strategy; and
- (c) Increased Council Tax income from empty homes.

4.2 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.

4.3 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.

5. Legislation

5.1 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; and
- S13A (1)(C) Local Government Finance Act 1992 (reduction in liability)

5.2 Due to changes in the legislation, the council will be required to amend this policy, at any time, in line with statute.

6. Finance

6.1 Any amount of premium 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.

6.2 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.

7. Notification

7.1 Where a taxpayer is granted an exemption, a revised demand notice will be issued. Where an exemption is applied for but not granted, the Council will provide notification of its decision.

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 or the Council may request additional information or evidence, which would justify a change to the original decision, and notify the taxpayer 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. Fraud

9.1 The Council is committed to protecting public funds and ensuring that premiums are correctly charged.

9.2 A taxpayer who tries to reduce their Council Tax Liability by 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.

9.3 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.

10. Complaints

10.1 Any complaint received about this policy or the application of a premium will be dealt with in line with the Council's complaints procedure.