



**REPORT of  
CHIEF FINANCE OFFICER**

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to  
**STRATEGY AND RESOURCES COMMITTEE**  
**13 JUNE 2024**

**COUNCIL TAX EMPTY HOMES PREMIUM POLICY REVISION**

**1. PURPOSE OF THE REPORT**

- 1.1 To inform Members of a delay to legislative provisions to increase the period of time before which Council Tax premiums would become payable in certain circumstances.
- 1.2 To seek a decision on whether the Council wishes to amend the previously agreed Policy on Empty Homes Premiums to enable these provisions to be applied locally in advance of legislation being made.

**2. RECOMMENDATIONS**

To the Council

- (i) That provision is made for an extension to the time before which a Council Tax premium becomes due in some limited circumstances, effective from 1 April 2024 until further guidance is issued or enabling legislation is made;
- (ii) that the revised Empty Homes and Second Homes Premium Policy 2024 - 25 at **APPENDIX A** be approved;
- (iii) that the Head of Revenues and Benefits be granted delegated authority, in consultation with the Chairperson of the Strategy and Resources Committee, to make further technical amendments, to reflect updated guidance, as necessary.

**3. SUMMARY OF KEY ISSUES**

- 3.1 The Council previously considered\* and agreed a Policy to enable the application of council tax premiums in respect of long-term empty homes after a period of 12 months and, from 1 April 2025 for second homes.
- 3.2 At the time of agreeing the Policy, the Council was awaiting guidance from Government on exceptions to the premium which should be applied.
- 3.3 On 11 March 2024, the Government published the [response to its consultation](#) on proposals to exempt categories of dwellings from the council tax premiums in England and confirmed that it would legislate to bring the following exceptions into effect before the 2025 to 2026 financial year.

### **Proposed Government Exceptions to both the empty and second homes council tax premiums (not yet enacted in legislation)**

- **Properties undergoing probate:** inherited properties will have a 12-month exception from the empty and second home premiums after probate or letters of administration have been granted. The property will be liable for the standard rate of council tax once the class F exemption (i.e. where the property is exempt from Council Tax payment for as long as it remains unoccupied, and until probate is granted) has ended; but a premium cannot be levied for a 12-month period.
- **Properties being actively marketed for sale or let:** a 12-month exception to both the empty and second home premiums will apply to properties that are actively marketed for sale or let.

### **Proposed Government Exceptions to the empty homes premium only (not yet enacted in legislation)**

- **Empty properties undergoing major repairs:** properties undergoing major repairs or structural alterations will have up to a 12-month exception from the empty homes premium.

### **Proposed Government Exceptions to the second homes premium only (applicable from April 2025)**

- **Annexes forming part of, or being treated as part of, the main dwelling:** an exception to the second homes premium for annexes which form part of a single property which includes at least one other dwelling.
- **Job related dwellings:** an exception to the second homes premium for job-related dwellings. This 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.
- **Occupied caravan pitches and boat moorings:** a pitch occupied by a caravan and a mooring occupied by a boat are an exception to the second homes premium.
- **Seasonal homes where year-round or permanent occupation is prohibited or has been specified use:** Where properties have planning restrictions or other conditions on occupation or use in place which prevent year-round occupation, such properties will be an exception to the second homes premium.

3.4 In its response to the consultation, the Government has reiterated that the Government's intention when providing billing authorities with the power to charge a premium was not to penalise owners of property genuinely for sale or rent and that the premiums are intended to be used as a tool to help address the impacts of second and empty homes.

## **4. CONCLUSION**

4.1 Given the clear indication that exemptions will be provided for in legislation from April 2025, it does not seem reasonable that under the provisions of current policy, customers could be disadvantaged in 2024 / 25 by the absence of these exemptions e.g. a premium would be applied to the council tax bill for a customer who is

struggling to sell a property in 2024 / 25 when this would not be the case in 2025-2026.

- 4.2 Officers consider therefore that it would be reasonable to revise the existing policy to incorporate the exemptions, in line with Government intent, in advance of them being legislated for.

## **5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027**

### **5.1 Supporting our communities**

- 5.1.1 The updated Policy would avoid penalising customers as a result of the timing of legislative changes.

### **5.2 Helping the economy to thrive**

- 5.2.1 The updated Policy would provide for increased time for properties to be reoccupied before increased council tax is levied in specific circumstances.

### **5.3 Smarter finances**

- 5.3.1 Increased income as a result of the premium changes in 2024 has not been factored into the Councils budget.

### **5.4 Provide good quality services.**

- 5.4.1 The updated Policy is in line with Government guidance and provides a clear framework for the administration of discretionary premiums.

## **6. IMPLICATIONS**

- (i) **Impact on Customers** – A clear policy provides a consistent approach when exercising discretion.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – Challenges in evidencing that a property is genuinely being marketed for sale or rent may increase potential for fraud and will require careful management.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact on Resources (human)** – None.

### Background Papers:

\* [The Empty Homes and Second Homes Premium Policy](#) was originally considered by the Strategy and Resources Committee 25 January 2024 and ratified by the Council on 15 February 2024 (Minute No. 487 refers).

Enquiries to: Michelle La Marre, Head of Revenues and Benefits.