Empty Homes Premium Policy 2026-27

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1. Introduction and background

1.1 The following policy outlines the Council's approach to the levying of empty homes premium.

1.2 Premiums were also 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 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 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]

1.5 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 home[2]; or
- dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property[3].

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 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%.

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

[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

1.8 Government, together with local authorities (including the Council) has unfortunately seen a rise in the number of empty homes. In order to bring more dwellings into use, government has introduced sections within the Levelling Up and Regeneration Act 2023 (the Act) which will allow premiums to be charged sooner.

1.11 This policy details the Council's approach in the charging of empty homes premiums as allowed within 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 into use, makes it essential that the Council changes its approach to empty homes.

2. Empty homes premiums (From 1 April 2024)

2.1 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.

2.2 The Council resolved to implement the change with effect from 1 April 2024

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 3 of this policy.

3. Exceptions from the premiums.

3.1 The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 prevent the Council from applying a premium in certain circumstances. These are as follows and cover both empty dwellings and second homes. It should be noted that the Council does not currently charge premiums for 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

Classes of Dwellings	Premium affected	Summary Description
Class G	Long-term empty homes and second homes	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: • 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. 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.
Class H	Long-term empty homes and second homes	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: • whether the dwelling is clearly advertised for let; • whether the dwelling is being marketed at a fair market value; • 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. 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
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

Classes of Dwellings	Premium affected	Summary Description
		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[4]	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

3.2 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.

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

[4] The Council currently offers a discretionary 50% discount for a maximum period of 12 months for properties that are classed as uninhabitable. This means at the 12 month anniversary of start of the qualifying works and discount, the Council Tax charge will change from 50% to 200%

(c) Increased Council Tax income from empty homes.

4.2 In exercising its functions under this policy, the Council has due regard to its duties under section 149 of the Equality Act 2010 (the Public Sector Equality Duty). The Council has considered the potential impact of the application of empty homes and second homes premiums on persons who share a protected characteristic, including (but not limited to) disability, age, pregnancy and maternity, and race.

4.3 Where the application of a premium may result in disproportionate hardship arising from a person's protected characteristic, the Council will consider whether a discretionary reduction in Council Tax liability is appropriate under section 13A(1)(c) of the Local Government Finance Act 1992, having regard to the individual circumstances of the case. Each decision will be made on its merits, ensuring that the policy is applied fairly, proportionately, and consistently, while meeting the Council's statutory and strategic objectives.

4.4 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;
- 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)

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 a 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.

9.2 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.

9.3 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 premiums has been approved by the Council. However, the Council's Director of Resources 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 premiums are correctly charged.

10.2 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.

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.