



# **Empty Homes Premium Policy 2025-26**

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## 1. Introduction and background

- 1.1 The following policy outlines the Council's approach to the levying of empty homes premiums and the exceptions that may apply.
- 1.2 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 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<sup>1</sup>
- 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<sup>2</sup>; or
  - dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property<sup>3</sup>.
- 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.

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<sup>1</sup> 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.

<sup>2</sup> Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes E

<sup>3</sup> 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.
- 1.9 In order to address the rise in empty dwellings, and also to bring more dwellings into use, government amended the Local Government Finance Act 1992 to allow for the following:
- (a) To bring forward the period from two years to **one year** when an unoccupied and substantially unfurnished dwelling (empty dwelling) can be charged a premium of 100% All other empty dwelling premiums remain unchanged, namely:
    - A premium of 200% where dwelling has remained empty for a period of 5 years or more;
    - A premium of 300% where dwelling has remained empty for a period of 10 years or more.
- 1.10 This policy details the Council's approach in the charging of premiums as allowed within the new legislation.
- 1.11 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 applies the maximum charge possible.

## **2. Empty homes premiums**

- 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 has 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 empty homes premiums.**

- 3.1 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.

Classes of Dwellings	Premium affected	Summary Description
Class E	Long-term empty 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	Annexes forming part of, or being treated as part of, the main dwelling
Class G	Long-term empty 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"> <li>• whether the dwelling is clearly advertised for sale;</li> <li>• whether the dwelling is being marketed at a fair market value;</li> <li>• whether there are any artificial barriers placed on the sale by the vendor on the dwelling preventing sale; and</li> <li>• whether the owner is taking any other reasonable steps to market the dwelling for sale.</li> </ul> <p>The same owner may only make use of the exception for a particular dwelling marketed for sale <b>once</b> 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	<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"> <li>• whether the dwelling is clearly advertised for let;</li> <li>• whether the dwelling is being marketed at a fair market value;</li> <li>• whether there are any artificial barriers placed on the letting by the owner on the dwelling preventing letting; and</li> <li>• whether the owner is taking any other reasonable steps to market the dwelling for let.</li> </ul>

Classes of Dwellings	Premium affected	Summary Description
		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	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 M	Long-term empty homes	Empty properties requiring or undergoing major repairs or structural alterations (12 months limit). It should be noted that major repairs and structural alterations <b>only apply</b> 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.

#### 4. Applications and Evidence

- 4.1 The Council will specify how applications for exceptions from the premium are to be received (if required) and this may vary from time to time.
- 4.2 Where indicated by the Council, evidence may be required to support an application to allow the Council to make a decision. The Council will specify the evidence required. Where insufficient information is provided no exception will be granted. In some cases, it may be necessary for an officer to visit the property for which an exception has been requested.
- 4.3 Where applications are required, they should be made to the Income & Awards Service and will be determined in accordance with this policy.

#### 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;
  - (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.

- 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;
  - S13A(1)(C) Local Government Finance Act 1992 (reduction in liability)
- 6.2 Due to changes in the legislation, the Council will be required to amend this policy, at any time, in line with statute.

## **7. Finance**

- 7.1 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.
- 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. Notification**

- 8.1 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.

## **9. Appeals**

- 9.1 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.

## **10. Delegated Powers**

10.1 This policy for the Council Tax premiums has been approved by the Council. However, the Head of Incomes and Awards is authorised to make technical amendments to ensure it meets the criteria set by government and the Council.

## **11 Fraud**

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

11.2 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.

11.3 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.

## **12. Complaints**

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