

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

Council Meeting – 28 November 2024

DETERMINATION OF COUNCIL TAX DISCOUNTS RELATING TO SECOND HOMES AND EMPTY DWELLINGS FOR 2025/2026

1. Section 75 of the Local Government Act 2003 gives billing authorities the power to determine the discounts for second homes and long-term empty dwellings. Section 11 of the Local Government Finance Act 2012 gives billing authorities powers to determine discounts for further classes of empty dwellings. Section 12 of the Local Government Finance Act 2012 gives billing authorities powers to set a higher amount of council tax for long term empty dwellings. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 allows billing authorities to further increase the amount of council tax for long term empty dwellings from 1 April 2019. Section 79 of the Levelling-Up and Regeneration Act 2023 allows billing authorities to vary the date the long term empty property levy is charged from. Section 80 of the Levelling-Up and Regeneration Act 2023 allows billing authorities to charge a higher amount of council tax for dwellings which are furnished and unoccupied.
2. The council must approve its determination afresh for each class of dwelling for each financial year.

3. Classes of Dwelling and the Current Position for 2024/2025

3.1. The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 and the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 prescribe the following classes of dwelling:

3.1.1. **Class A** – a chargeable dwelling:

- (a) which is not the sole or main residence of an individual;
- (b) which is furnished; and
- (c) the occupation of which is prohibited by law for a continuous period of at least 28 days in the relevant year.

Class A dwellings are commonly known as **Second Homes with an Occupancy Restriction**.

The reduction for Class A dwellings for 2024/2025 is 0% with an exemption for the period of the occupancy restriction.

3.1.2. **Class B** – a chargeable 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 prohibited by law for a continuous period of at least 28 days in the relevant year.

Class B dwellings are commonly known as **Second Homes**.

The reduction for Class B dwellings for 2024/2025 is 0%.

3.1.3. **Class C** – a chargeable dwelling which is:

- (a) which is unoccupied; and
- (b) which is substantially unfurnished

Class C dwellings are commonly known as **Empty Dwellings**

The reduction for a Class C dwelling for 2024/2025 is 0%.

3.1.4. **Class D** – a chargeable dwelling

- (a) which has satisfied the requirements of (b) for fewer than 12 months
- (b) which is vacant; and
 - i. requires or is undergoing major repair work to render it habitable
 - ii. is undergoing structural alteration
 - iii. has undergone major repair work to render it habitable if fewer 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 purpose of (b) ‘major repair work’ refers to structural repair work
NB once the 12 month time limit has expired dwellings in Class D fall to be treated as dwellings in Class C

Class D dwellings are commonly known as **Uninhabitable Dwellings**.

The reduction for a Class D dwelling for 2024/2025 is 25% for the 12 month maximum period. Once the 12 months expire a reduction of 0% applies.

3.2. Class A and Class B dwellings do not include any dwelling which consists of a pitch occupied by a caravan or a mooring occupied by a boat. Neither do they include any dwelling where a qualifying person in relation to that dwelling is a qualifying person in relation to another dwelling which for him/her is job-related.

3.3. Premiums for Second Homes

3.4. The discount for properties falling into Class A and Class B of the regulations (Second Homes) has been set at 0% since 2016. The Levelling-Up and Regeneration Act 2023 allows us to increase the charge for these properties by up to 100% after giving at least 12 months’ notice.

3.5. The resolution to charge an additional 100% Premium for Second Homes falling in Class B from 1 April 2025 was passed by full Council on 31 January 2024. The required notice was given by means of publication of the decision in Your Local Paper on 9 February 2024. The premium is reflected in the recommendations at Section 7 below.

3.6. Certain properties are exempt from the Second Homes Premium including:

3.6.1. Properties in Class A which cannot be occupied all year round as they have a planning restriction limiting their occupancy. As these cannot be used as someone's main home no additional charge will be made.

3.6.2. Properties which consist of a caravan pitch or boat mooring,

3.6.3. Any property which already receives a council tax exemption, for example those waiting for probate to be granted,

3.6.4. Classes of property prescribed as exempt from the second home premium by way of government regulations. These will be removed from the premium as and when regulations are laid.

3.7. Long Term Empty Dwelling Levies

3.8. The Local Government Finance Act 2012 allows billing authorities to increase the amount of council tax payable in respect of a long term empty dwelling by a specified percentage of not more than 50% up to 31 March 2019.

3.9. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 allows billing authorities to increase this to 100% from 1 April 2019 for properties empty for more than two years. The Act further allows billing authorities to increase the amount of council tax payable by 200% for properties empty for longer than five years from 1 April 2020, and by 300% for properties empty longer than 10 years from 1 April 2021.

3.10. The Act originally defined a Long-Term Empty Dwelling as 'a dwelling that is unoccupied and substantially unfurnished for a continuous period of at least two years'. Any period of occupation of fewer than six weeks is discounted when establishing the continuous two year period.

3.11. The Levelling-Up and Regeneration Act 2023 amends the definition of a Long-Term Empty Dwelling from 1 April 2024 to 'a dwelling that is unoccupied and substantially unfurnished for a continuous period of at least **one year**'. This change was implemented for 2024/2025.

3.12. Central Government may also prescribe classes of dwelling exempt from the Long Term Empty Dwelling levy. The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 prescribe the following classes of dwelling to which the levy will not apply:

3.12.1. **Class E** – a chargeable dwelling which would be the sole or main residence of a person but is empty because that person is resident in Ministry of Defence accommodation by reason of their employment.

3.12.2. **Class F** – a chargeable dwelling which is an annexe of a main dwelling but is being used as a part of that dwelling.

3.13. The additional levy for long term empty dwellings for 2024/2025 is:

- 3.13.1. 100% for properties empty for more than one year,**
- 3.13.2. 200% for properties empty for more than five years, and**
- 3.13.3. 300% for properties empty for more than 10 years.**

Dwellings falling into Class E and Class F are exempt from the Long Term Empty Dwelling Levy.

4. Proposals for 2025/2026

- 4.1. The levels of discount for 2024/2025 are shown above for information. The recommendations for 2025/2026 are shown at section 7 below.
- 4.2. In accordance with statutory council tax reductions, any period of occupation of fewer than six weeks will be disregarded when calculating the maximum time a reduction can be awarded for, and when calculating the start date of any levy payment. The occupier will still be charged the occupied council tax rate for the time they live in the dwelling, but the clock will not be reset when they leave if they have been in occupation for fewer than six weeks.
- 4.3. An individual who is caused hardship by the level of council tax discount under this resolution can apply for a reduction on their council tax bill. Applications will be determined by the Revenues and Benefits Manager in consultation with the Council Leader and the relevant Ward Member/s where appropriate.
- 4.4. The regulations stipulate these determinations must be published in at least one local newspaper within 21 days of Council agreement.

5. Policy Implications

- 5.1. The decision is an update of the Council's policy on Council Tax discounts relating to Second Homes and Empty Properties.

6. Financial Implications

- 6.1. These discounts and levies form part of the taxbase calculations and can affect the council's income. The existing discounts and levies have been reflected in the taxbase calculation and the revised discounts, levies and the new premium will be included in the taxbase forecasts for 2025/2026.

7. Recommendations:

Under Section 11A of the Local Government Finance Act 1992, as enacted by Section 75 of the Local Government Act 2003, Section 11B of the Local Government Finance Act 1992, as enacted by Section 11 and Section 12 of the Local Government Finance Act 2012 and in accordance with the provisions of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment)

Regulations 2012, the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 and the Levelling-Up and Regeneration Act 2023 the Council determines:

- 1. That the council tax discount for Second Homes defined as being within Class A of the Regulations is set at 0% for 2025/2026;**
- 2. That the council tax reduction for Second Homes as defined by Class B of the Regulations is set as below for 2025/2026:**
 - a. No reduction i.e. a 0% discount, plus**
 - b. an additional premium of 100%;**
- 3. That the council tax discount for Empty / Unfurnished dwellings defined as being within Class C of the Regulations is set at 0% for 2025/2026;**
- 4. That the council tax discount for Uninhabitable dwellings defined as being within Class D of the Regulations is set at the following for 2025/2026:**
 - a. 25% for 12 months starting on the day the dwelling becomes uninhabitable; then**
 - b. 0% once the 12 month period has expired;**
- 5. That the Levy rate for Long Term Empty Dwellings as defined in the Regulations is set as follows for 2025/2026:**
 - a. 100% for properties empty between one and five years,**
 - b. 200% for properties empty longer than five years, and**
 - c. 300% for properties empty longer than ten years;**
- 6. That any period of occupation of fewer than six weeks shall be disregarded when calculating the maximum period of a reduction or the start date of the Levy;**
- 7. That delegated authority be given to the Revenues and Benefits Manager, in consultation with the s151 Officer and Council Leader, to agree the technical guidelines for any exceptions to the premiums imposed by central government.**
- 8. That delegated authority be given for individual hardship applications made under s13a Local Government Finance Act 1992 be determined by the Revenues and Benefits Manager in consultation with the Council Leader and the relevant Ward Member/s where appropriate.**
- 9. In accordance with Section 11A(6) of the Local Government Finance Act 1992, as enacted by Section 75 of the Local Government Act 2003 and the Local Government Finance Act 2012, these determinations shall be published in at least one newspaper circulating in West Norfolk before**

the end of the period of 21 days beginning with the date of the determinations.