

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed:			
<b>Any especially affected Wards</b> All – Northern Parishes for 2 <sup>nd</sup> Homes	Discretionary	Be entirely within Cabinet’s powers to decide		NO	
		Need to be recommendations to Council		YES	
		Is it a Key Decision		YES	
Lead Members: <a href="mailto:cllr.chris.morley@west-norfolk.gov.uk">cllr.chris.morley@west-norfolk.gov.uk</a>		Other Cabinet Members consulted: Cllr Alistair Beales			
		Other Members consulted: Corporate Performance Panel			
Lead Officer: Jo Stanton, Revenues and Benefits Manager E-mail: <a href="mailto:joanne.stanton@west-norfolk.gov.uk">joanne.stanton@west-norfolk.gov.uk</a> Direct Dial: 6349		Other Officers consulted: Michelle Drewery, s151 Officer and Assistant Director, Resources Alexa Baker, Assistant Director, Legal, Governance and Licensing			
Financial Implications YES	Policy/ Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications NO	Environmental Considerations NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s): NA					

Date of meeting: 14 January 2025

### **COUNCIL TAX DISCOUNTS AND PREMIUMS FOR EMPTY PROPERTIES AND SECOND HOMES: RESOLUTION FOR 2025/2026**

#### **Summary**

Councils have discretionary powers to vary the discounts for empty properties, uninhabitable properties and second homes, and to charge additional premiums (levies) for long-term empty properties and second homes. This report summarises the current position and makes recommendations for the discounts and premiums for these types of property for 2025/2026.

#### **Recommendations**

The following discounts and premiums are recommended to Council for 2025/2026:

Class A Second Homes Discount for 2025/2026:

- No reduction, i.e. a 0% discount;

Class B Second Homes Discount for 2025/2026:

- No reduction i.e. a 0% discount, plus
- An additional premium of 100%

Class C Empty / Unfurnished Discount 2025/2026:

- 0% for both the initial and follow on periods

Long-Term Empty Property Premiums (Levy):

- 100% for properties empty between one and five years,
- 200% for properties empty longer than five years, and
- 300% for properties empty longer than ten years.

Class D Uninhabitable Properties:

- 25% for 12 months starting on the day the property becomes uninhabitable; then:
- 0% once the 12 month period has expired;

Cabinet recommends to Council that the Exceptions Policy as summarised below and detailed at Appendix 3 is agreed.

Cabinet and Council to note the government guidance of November 2024 as included at Appendix D.

**Reason for Decision**

To ensure the discounts, premiums and exceptions policy for Second Homes and Long-Term Empty properties are agreed for 2025/2026.

**1. Background**

- 1.1. Councils have powers to vary the nationally set council tax discounts for second homes, long-term empty properties and uninhabitable properties, and to charge premiums (levies) for long-term empty properties. From 2025 we are now also able to charge a premium for second homes. These powers are discretionary and decisions in respect of these discounts and premiums must be ratified annually by full Council. The discount levels for all are included at Appendix B.
- 1.2. Allowing councils to vary the discounts and charge premiums for empty homes is intended to allow councils an incentive to bring empty properties back into use by increasing the council tax charge for empty properties. Allowing a higher charge for second homes is aimed at local councils whose income (and ability to deliver services) is affected by the number of second homes in their area.
- 1.3. These powers do not include changing the reduction for any property which is exempt from payment of council tax, for example where a resident has gone into care or where the owner has passed away and probate has not yet been granted. These properties continue to benefit from a full council tax reduction.
- 1.4. Section 2 of this paper sets out the recommended levels of council tax discounts and premiums for 2025/2026. Many of these are continuations of the 2024/2025 levels of discount and premiums. They also ratify the recommendation made by Cabinet on 15 January 2024 and the decision of full Council on 31 January 2024 to charge an additional 100% council tax premium for furnished properties which are only occupied periodically, known as Second Homes, coming into effect from 1 April 2025
- 1.5. The decision to charge a premium for Second Homes for the first time must be made by Council at least a year in advance of it coming into effect. This has meant an extended period of time between the initial decision to charge the premium being made in January 2024, and the Council Tax Resolution for 2025/2026 being agreed.

This requirement only applies the first time the decision is made so in future years it will be possible to present the reports on a much shorter meeting cycle.

- 1.6. In November 2024 the government produced guidance on the implementation of the second homes premium included at Appendix D. This includes details of the statutory exceptions to the premium, but also suggests some factors councils may want to consider when considering the discounts and premiums.
- 1.7. The guidance states councils may want to consider the following when making a decision on the second homes and long-term empty premiums:
  - Numbers and proportion of long-term empty dwellings and second homes in the area,
  - Circumstances which may affect whether the dwelling can be used as a main residence,
  - Potential impact on local economies and the tourism industry,
  - Potential impact on the local community,
  - Potential impact on local services, and
  - Other measures that are available to councils to help bring empty dwellings back into use.
- 1.8. The guidance was only published in November 2024, whilst the decision to charge the second homes premium had to be made before March 2024 in order for it to be implemented from April 2025. The decision to charge the premium and its impact were debated by the Corporate Performance Panel, Cabinet and Council in January 2024.
- 1.9. Section 3 and Appendix C set out the Policy for Exceptions to the premiums for long-term empty properties and second homes.
- 1.10. Section 5 considers the financial implications of charging the premiums and the impact on the council's taxbase.

## **2. Council Tax Discounts for Second Homes, Long-Term Empty Properties and Uninhabitable Properties**

As a council we have powers to vary certain council tax discounts from the nationally set discount level, and to charge a premium for certain types of properties. The Levelling-Up and Regeneration Act 2023 extends these powers. Details of all the discounts and premiums we have the discretion to amend are listed below and a table of the current and historic discount levels is included at Appendix B.

### **2.1. Furnished Properties which are unoccupied or only occupied periodically (Second Homes)**

#### **2.1.1. Definition:**

These properties are commonly referred to as second homes, however this category includes any property which is furnished but is unoccupied or only occupied periodically because it is no-one's main home.

There are two classes of property in this category:

#### **Class A Second Homes:**

These are properties with occupancy restrictions covering at least 28 days a year, usually due to the risk of flooding. These properties pay the full council tax charge apart from the days when they cannot be occupied, when they are exempt from payment.

#### **Class B Second Homes:**

These are properties where there is no occupancy restriction. These properties pay the full council tax charge all year.

This category also includes properties which are a second home because the council tax payer is required to live elsewhere as a condition of their employment and these receive a 50% discount.

#### 2.1.2. Current Position:

There are 311 Class A second homes in the borough, mainly in Heacham, Snettisham and Hunstanton.

There are 3,119 Class B second homes in the borough plus a further 20 job related second homes which receive a 50% discount.

The nationally set discount for second homes is 50%, and we have gradually reduced this since 2004, removing it completely in 2016. Since then second homes pay the full council tax charge.

#### 2.1.3. Proposal:

To continue with the ongoing removal of the discount for Class A and Class B second homes and to implement the premium for all qualifying Class B second homes in our area from 1 April 2025, as agreed by full Council on 31 January 2024.

From 1 April 2025 we can charge an additional premium of up to 100% for Class B second homes in all or part of our area, provided we make the initial decision at least a year in advance.

The decision to charge a second homes premium was considered by the Corporate Performance Panel on 4 January 2024, Cabinet on 15 January 2024 and agreed by Council on 31 January 2024. The premium for Class B second homes applies for all properties in our area from 1 April 2025.

#### 2.1.4. Exceptions:

The full Exceptions Policy is included at section 3 and Appendix C and the following properties will not be charged the premium:

- Those with an occupancy restriction,
- Those where the council tax payer lives elsewhere in Armed Forces accommodation, or in property they have to occupy as a condition of their employment,
- Annexes used as part of a main property which is someone's main home,

- Those actively marketed for sale or let (for 12 months since they are first marketed),
- Those where probate has been granted in the past 12 months (until 12 months after probate has been granted),
- Those which are furnished lets and let for use a someone's main home, but are unoccupied between tenants, and
- Caravan pitches and boat moorings

The decision to charge the premium for a financial year can be revoked at any time before it comes into effect. If the decision of full Council on 31 January 2024 to charge the premium from 2025/2026 is to be reversed this would have to be agreed by full Council by 31 March 2025.

#### 2.1.5. **Recommendations:**

**The following discounts and premiums are recommended to Council for 2025/2026:**

**Class A Second Homes Discount for 2025/2026:**

- **No reduction, i.e. a 0% discount;**

**Class B Second Homes Discount for 2025/2026:**

- **No reduction i.e. a 0% discount, plus**
- **An additional premium of 100%.**

## 2.2. **Empty and Unfurnished Properties – Class C**

### 2.2.1. Definition:

These are properties where there is no occupier and no furniture in the property. They exclude any empty property which qualifies for an exemption from payment of council tax, including those where the resident is now in a care home or where the council tax payer has passed away and probate has not yet been granted.

### 2.2.2. Current Position:

There are 1,256 empty and unfurnished properties in the borough.

The nationally set discount for these properties is 100% for a maximum of six months, followed by a maximum of 50% for an indefinite follow-on period. We have amended these discounts since 2008 and t we do not award a reduction for empty and unfurnished properties.

### 2.2.3. Proposal:

To continue the ongoing removal of all discounts for empty and unfurnished properties and to note that properties remaining empty for more than 12 months are classed as long-term empty properties.

### 2.2.4. **Recommendation**

The following discounts and premiums are recommended to Council for 2025/2026:

### **Class C Empty / Unfurnished Discount 2025/2026:**

- **0% for both the initial and follow on periods**

## **2.3. Long Term Empty Properties**

### 2.3.1. Definition:

These are empty and unfurnished properties which have been empty for more than a year. We can charge an additional premium (levy) of up to 100% for these properties.

### 2.3.2. Current Position:

There are 610 properties empty for between one and five years paying an extra 100% premium, 69 properties empty for between five and ten years paying an extra 200% premium, and 22 properties empty over ten years paying a 300% premium. A total of 701 properties pay the additional premium.

Following the council meeting on 31 January 2024 start date of the levy was reduced from two years to one year.

### 2.3.3. Exceptions:

The full Exceptions Policy is included at section 3 and Appendix C and the following properties will not be charged the premium:

- Those where the council taxpayer lives elsewhere in Armed Forces Accommodation,
- Annexes used as part of a main property and as someone's main home,
- Those actively marketed for sale or let (for 12 months since they are first marketed),
- Those where probate has been granted in the past 12 months (until 12 months after probate has been granted), and
- Uninhabitable dwellings (for 12 months since they became uninhabitable).

### 2.3.4. Proposal:

To continue to charge the maximum levy for long term empty properties.

### 2.3.5. Recommendation:

**The following premium (levy) rates are recommended to Council for 2025/2026:**

#### **Long-Term Empty Property Premiums (Levy):**

- **100% for properties empty between one and five years,**
- **200% for properties empty longer than five years, and**
- **300% for properties empty longer than ten years.**

## **2.4. Uninhabitable Properties**

### 2.4.1. Definition:

These are properties which are uninhabitable as they require, or are undergoing, work to their structure such as the roof, walls, floors, ceilings and foundations.

2.4.2. Current Position:

There are 68 properties in the borough receiving the uninhabitable discount.

The nationally set discount is 100% for a maximum of 12 months. We reduced this to 50% from 2009 then to 25% from 2013. Once the 12 months expires these properties are treated as empty and unfurnished properties.

2.4.3. Proposal:

To continue the 12 month, 25% discount for uninhabitable properties and to note that properties remaining for 12 months after the uninhabitable discount ends are classed as long-term empty properties.

2.4.4. Recommendation:

The following discount for uninhabitable properties is recommended to Council for 2025/2026:

**Class D Uninhabitable Properties:**

- **25% for 12 months starting on the day the property becomes uninhabitable; then:**
- **0% once the 12 month period has expired;**

**3. Exceptions Policy**

3.1. Government published the regulations, guidance and further information relating the exceptions to the premiums at the start of November 2024. Delegated authority for 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 has already been agreed by Council on 31 January 2024. However, as 2025/2026 is the first year of the Exceptions Policy it is included as part of the recommendations in this report, and any future amendments will be dealt with as a delegated decision.

3.2. The Exceptions Policy is included at Appendix C and comes into force from 1 April 2025. The policy includes the following statutory and local exceptions:

<b>Exception</b>	<b>Details</b>
Second homes with an occupancy restriction:	These do not have to pay the second home premium.
Properties where probate has been granted but the property remains empty:	These properties will benefit from a six month exemption after probate is granted and the second home or long-term empty premium will not apply until 12 months after probate is granted.

Properties for sale or let:	These do not have to pay the second home or long-term empty premium for 12 months from the date they are first marketed for sale or let.
Certain Annexes:	These do not have to pay the second home or long-term empty premium provided they are being used as part of another property which is someone's main home.
Certain Job Related properties including Armed Forces accommodation:	These do not have to pay the second home or long-term empty premium if they are a second home because the council tax payer is living in Armed Forces accommodation. They also do not pay the second home premium if the council tax payer is required to live in another property as a condition of their employment contract.
Uninhabitable properties:	These do not pay the long-term empty premium for 12 months from the date they become uninhabitable.
Furnished properties being let for someone to live in as their main home:	These fall under the definition of a second home, but do not have to pay the second home premium whilst they are unoccupied between tenants.

**3.3. Recommendation – Cabinet recommends to Council that the Exceptions Policy as summarised above and detailed at Appendix 3 is agreed.**

**4. Hardship Applications**

4.1. We can consider reducing or remitting a council tax bill on the grounds of hardship and delegated authority already exists to deal with these applications under our existing Council Tax Discretionary Relief Policy:

*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.*

4.2. Any customer experiencing hardship as a result of our decisions to vary the council tax discounts or charge a premium can make an application for their council tax charge to be reviewed.

**5. Other Statutory Requirements:**

5.1. The following statutory requirements are also noted as part of the Council Tax Discounts Resolution:

5.1.1. 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 a premium – this is a statutory requirement and prevents a fresh discount being claimed or the premium being removed if a property is only occupied for a short period of time.



5.1.2. 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. This is a statutory requirement for us to publish a Public Notice once the decision is made. The notice for the 2024/2025 Discounts Resolution was published in Your Local Paper on 9 February 2024, and the notice for the 2025/2026 resolution will be published within 21 days of the full Council meeting.

## **6. Policy Implications**

6.1. This is a variation of an existing policy and confirms the existing levels of discount and premiums for second homes and long-term empty properties, and ratifies the decision made by full Council on 31 January 2024 to charge the additional premium for second homes from 1 April 2025.

## **7. Financial Implications**

### **7.1. Council Tax Base and Budget**

7.1.1. The taxbase is a measure of how much council tax can be raised in our area and forms part of the budget setting process. Our taxbase includes the taxbases for the Parish and Town Councils, and forms part of the taxbase for Norfolk County Council and Norfolk Police.

7.1.2. The levels of council tax discounts and premiums affect our taxbase calculation. Any council tax discounts reduce our taxbase, as less council tax is being charged. The premiums increase our taxbase as more council tax is raised. The taxbase cannot be finalised until the discounts and premiums for the coming year, including the Council Tax Support scheme, have been agreed. Changes to the proposed taxbase will impact on the Financial Plan and the certainty of the budget setting process.

### **7.2. The impact of the Discount Changes**

7.2.1. There are no new financial impacts from the decisions to continue with the existing removal and reduction of the discounts for second homes, long-term empty properties and uninhabitable properties. These have been in place for a number of years (as shown at Appendix B) and are already incorporated into the taxbase calculations and Financial Plan estimates.

### **7.3. The Impact of the Premiums**

#### **7.4. Long-term Empty Property Premium:**

There are 701 properties liable to pay the long-term empty premium (levy), of which approximately 350 now pay the premium due to the time limit for the start date being reduced to one year from 1 April 2024.

The premium adds 543 band D equivalent properties to the taxbase, 352 of which are due to the reduction in the time limit.

The additional council tax income from the long-term empty levy for 2024/2025 is £1.2m (our share £ 0.08m). £0.48m (our share £0.03m) of this is due to

reducing the time limit before the premium applies. Norfolk County Council are the largest preceptor so they receive the biggest share of the additional income:

<b>01-Nov-24</b>		<b>Total Income from the long-term empty premium</b>	<b>Of which is additional Income due to April 2024 changes;</b>
Norfolk County Council	75.5%	£ 907,398	£ 365,901
Norfolk Police	14.3%	£ 171,428	£ 68,429
<b>BCKLWN</b>	<b>6.7%</b>	<b>£ 80,515</b>	<b>£ 31,600</b>
Parishes	3.6%	£ 43,033	£ 17,693
<b>Total</b>		<b>£ 1,202,376</b>	<b>£ 483,622</b>

#### 7.4.1. Second Homes:

There are 3,119 Second Homes which may be liable to pay the second homes premium from 1 April 2025. This is a maximum figure and does not account for any properties which qualify for an exception (as in Section 3).

A 30% sensitivity reduction has been built into the taxbase calculations to allow for any reductions for the Exceptions, changes in circumstance and changes in customer behaviours due to the second home premium being introduced.

The second homes premium adds an estimated maximum 3,087 Band D properties to the taxbase. This is reduced by 30%, or 926 Band D properties, to allow for the sensitivity reductions as detailed above. This results in a net estimated figure of 2,161 additional Band D properties.

The estimated additional income from the second homes premium after the sensitivity reduction is applied, is £4.8m (our share £0.32m). Again, as Norfolk County Council are the largest preceptor they receive the biggest share of the additional income. Work will progress with other District Councils and the County Council to ensure the maximum amount of the money raised through the second homes premium is returned to those districts whose communities are most affected by second home ownership.

<b>01-Nov-24</b>		<b>Estimated income from the Second Homes Premium</b>
Norfolk County Council	75.5%	£ 3,618,855
Norfolk Police	14.3%	£ 683,685
<b>BCKLWN</b>	<b>6.7%</b>	<b>£ 321,109</b>
Parish / Town Councils	3.6%	£ 171,625
		<b>£ 4,795,273</b>

7.4.2 The impact of the second homes premium and the changes to the taxbase will be monitored closely during 2025/2026. A report will be prepared for Members at the end of the financial year end with an update on the numbers of second homes that were due to pay the premium, the number paid, the number of changes and the additional council tax raised per Preceptor.

## **8. Personnel Implications**

8.1. None

## **9. Environmental Considerations**

9.1. None

## **10. Statutory Considerations**

10.1. The powers to reduce and remove the nationally set discounts for long-term empty properties, second homes and uninhabitable properties are laid out in the Regulations, however any decision is at the discretion of the Council. Any decision to vary these discounts must be ratified annual by full Council.

10.2. The powers are contained in the following Legislation and Regulations:

- Sections 79 and 80 of the Levelling-Up and Regeneration Act 2023,
- The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018,
- The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012,
- Sections 11A, 11B, 11C and 11D of the Local Government Finance Act 1992, and
- Section 75 of the Local Government Act 2003

## **11. Equality Impact Assessment (EIA)**

11.1. The Pre screening Equality Impact Assessment is attached at Appendix A.

## **12. Risk Management Implications**

12.1. None

## **13. Declarations of Interest / Dispensations Granted**

13.1. None

## **14. Background Papers**



14.1. None.



**Appendix A: Pre-Screening Equality Impact Assessment**



Name of policy	Council Tax Discounts and Premiums For Empty Properties And Second Homes: Resolution For 2025/2026				
Is this a new or existing policy/service/function?	Amendment of an Existing Policy				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>The policy sets the level of discounts and premiums (levies) for empty properties and second homes for 2025/2026.</p> <p>The powers to vary the discount are contained in regulations, but the decision to do so is at the discretion of the council.</p>				
<b>Question</b>	<b>Answer</b>				
<p><b>5.</b> Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups <b>according to their different protected characteristic</b>, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			√	
	Disability			√	
	Gender			√	
	Gender Re-assignment			√	
	Marriage/civil partnership			√	
	Pregnancy & maternity			√	
	Race			√	
	Religion or belief			√	
	Sexual orientation			√	
	Other (eg low income)			√	
<b>Question</b>	<b>Answer</b>	<b>Comments</b>			
<p><b>2.</b> Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</p>	No	The policy will not affect equality communities			

3. Could this policy/service be perceived as impacting on communities differently?	Yes	It will apply more to communities where there are higher numbers of empty properties and second homes but will not impact communities because of any equality issues.
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No	
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes	<p><b>Actions:</b> There is no impact on any equality community or any specific group with a protected characteristic. The council has a Discretionary Relief Policy and can reduce a council tax charge in exceptional circumstances or if a person is suffering financial hardship.</p> <p><b>Actions agreed by EWG member:</b></p> <p> <b>Alison Demonty</b> .....</p>
<p><b>If 'yes' to questions 2 – 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</b></p> <p>The policy is intended to encourage owners to bring empty properties back into use and will affect communities more where there are significant numbers of second home and empty properties.</p> <p>The policy will therefore impact on communities, rather than individuals, and is not linked to any equality issues or protected characteristics.</p> <p><b>Decision agreed by EWG member:</b>  <b>Alison Demonty</b></p>		
<b>Assessment completed by:</b> <b>Name</b>	<b>Jo Stanton</b>	
<b>Job title</b>	<b>Revenues and Benefits Manager</b>	
<b>Date</b>	<b>2 December 2024</b>	

## Appendix B

### Council Tax Discounts where local decisions on discounts apply

Class	Start	End	Discount / (Premium)	Council Tax Charge	Time Limit
Second Homes	<b>Nationally set discount</b>		<b>50%</b>	<b>50%</b>	<b>None</b>
	01/04/1993	31/03/2004	50%	50%	None
	01/04/2004	31/03/2013	10%	90%	None
	01/04/2013	31/03/2016	5%	95%	None
	01/04/2016	31/03/2025	0%	100%	None
	01/04/2025*		(100%)	200%	None
Empty and Unfurnished properties	<b>Initial Empty Period</b>				
	<b>Nationally set discount</b>		<b>100%</b>	<b>0%</b>	<b>6 months</b>
	01/04/1993	31/03/2013	100%	0%	6 months
	01/04/2013	31/03/2017	100%	0%	3 months
	01/04/2017	31/03/2019	100%	0%	1 month
	01/04/2019		0%	100%	None
	<b>Follow On Period</b>				
	<b>Nationally set discount</b>		<b>50%</b>	<b>50%</b>	<b>Ongoing</b>
	01/04/1993	31/03/2008	50%	50%	Ongoing
	01/04/2008	31/03/2009	10%	90%	Ongoing
	01/04/2009	31/03/2013	50%	50%	Ongoing
01/04/2013		0%	100%	Until LT Empty	
Uninhabitable Properties	<b>Nationally set discount</b>		<b>100%</b>	<b>0%</b>	<b>12 months</b>
	01/04/1993	31/03/2013	100%	0%	12 months
	01/04/2013	31/03/2017	50%	50%	12 months
	01/04/2017		25%	75%	12 months
Long Term Empty Properties	<b>Nationally set discount</b>		<b>NA</b>	<b>NA</b>	<b>-</b>
	01/04/2013	31/03/2019	(50%)	150%	After 2 years
	01/04/2019	31/03/2024	(100%)	200%	After 2 years
	01/04/2024		(100%)	200%	After 1 year
	01/04/2020		(200%)	300%	After 5 years
	01/04/2021		(300%)	400%	After 10 years

\*Excluding certain classes of property where the premium does not apply



**Policy for Exceptions to the  
Council Tax Premiums for  
Second Homes and Long-Term  
Empty Dwellings  
Coming into force 1 April 2025**



## 1. Executive Summary

The Levelling-Up and Regeneration Act 2023 gives councils powers to charge a council tax premium (or levy) for certain types of property (dwelling) in its area. The properties are those which are furnished but no-one's main home, commonly referred to as Second Homes, and properties which are unfurnished and unoccupied, known as Empty Properties.

The government has also introduced regulations laying out certain circumstances where the premium or levy does not apply. This Policy includes these statutory exceptions along with further locally agreed exceptions.

The exceptions apply from 1 April 2025.

The power to decide the guidelines for the exceptions to the premiums is given under Delegated Authority as below:

### **CAB89 – Cabinet 15 Jan 2024, Council 31 Jan 2024**

Cabinet Report para 4.1.5:

Delegate authority 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.

## 2. Definitions

Dwelling	Residential property which is the subject of the council tax charge
Empty Dwelling	<p>Any dwelling shown in the Council Tax Valuation List which is unfurnished and unoccupied.</p> <p>A Long-Term Empty Dwelling is one which is unfurnished and unoccupied for six months or more.</p> <p>A Long-Term Empty Dwelling will pay the additional Levy once it has been unfurnished and unoccupied for 12 months or more.</p>
Exempt Dwelling	Any dwelling which qualifies for an exemption from payment of council tax under the provisions of the Council Tax (Exempt Dwellings) Order 1992 (as amended)
Liable Person	The person(s) who is responsible for paying the council tax under the council tax regulations; normally the person(s) whose name appears on the council tax bill
Long Term Empty Dwelling Levy	An additional charge of 100%, 200% or 300% of the amount of council tax payable for the period where the property meets the definition of a Long-Term Empty Dwelling and has been unoccupied for 12 months or more. The actual amount of the Levy depends on how long the dwelling has remained empty.
Relevant Transaction	Transfer on sale of the freehold, or of the leasehold for a term of seven years or more
Second Home	Any dwelling shown in the Council Tax Valuation List which is furnished but is unoccupied and no-one's main home
Second Home Premium	An additional charge of 100% of the amount of council tax payable for the period where the dwelling meets the definition of a Second Home.

### 3. Exceptions to the Council Tax Second Homes Premium and Long-Term Empty Dwelling Levy

The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 include the circumstances in which the second home premium or empty dwelling levy does not apply.

The premium and levy will not apply to any dwelling which is classed as an Exempt Dwelling.

The exceptions are summarised below and the table should be read in conjunction with the detailed criteria in the regulations.

Class	Reason	Premium this Applies To	Period of Exception	Qualifying Conditions	Evidence Required
E	The liable person lives elsewhere in Armed Forces Accommodation	Second Homes Empty Dwellings	Whilst the qualifying conditions are met	The dwelling would be the sole or main residence of the liable person if they did not live elsewhere in Armed Forces accommodation.	Proof of address and residence in Armed Forces Accommodation
F	The dwelling is an annexe which forms part of a single dwelling, and is used by the resident as part of their sole or main residence	Second Homes Empty Dwellings	Whilst the qualifying conditions are met	The dwelling is an annexe which forms part of the liable person's sole or main residence and is being used as part of their main residence. This does not include any annexe used a second home, or where the other part of the property is a second home.	Proof of use and site visit if necessary.
G	The dwelling is being actively marketed for Sale	Second Homes Empty Dwellings	12 months from the date the dwelling is first placed on the market	The dwelling must be marketed for sale at a price that is reasonable for the sale of the dwelling, or an offer has been accepted and the sale is awaiting completion.  A further exception will not apply unless there has been a Relevant Transaction.	A current contract with an Estate Agent for the sale of the dwelling.  Marketing information, including Sales Particulars and online listings.  A current Energy Performance Certificate (or

					<p>proof of a recent application for one).</p> <p>Details of any viewings or offers in respect of the dwelling.</p> <p>Comparable sales prices achieved for similar properties to demonstrate the asking price is reasonable.</p> <p>Information regarding any sale agreed for the dwelling.</p>
H	The dwelling is being actively marketed for Let	Second Homes Empty Dwellings	12 months from the date the dwelling is first marketed for let	<p>The tenancy terms, conditions and rent must be reasonable for the letting of the dwelling, or an offer to rent has been accepted but the tenancy has not yet started.</p> <p>A further exception will not apply unless the dwelling has been let on a tenancy granted for a term of six months or more.</p>	<p>A current contract with a Lettings Agent for arranging the rental of the dwelling.</p> <p>Details of the type of tenancy the dwelling will be let under.</p> <p>Comparable rental prices for similar properties to demonstrate the rent is reasonable.</p> <p>Details of where the dwelling is advertised for</p>

					let.  Information regarding any agreed letting to a tenant.
I	Probate has been granted but the dwelling remains empty	Second Homes  Empty Dwellings	12 months from the date probate is granted	The dwelling fell into exemption Class F (Empty Awaiting Probate), remains empty after a grant of probate has been made, and the estate remains the liable party for council tax.  The dwelling will receive an exemption from payment of council tax for six months after probate is granted.  A further exception will not apply unless there has been a Relevant Transaction.	Copy of the grant of Probate.  Confirmation that the estate is the liable party for council tax and that the property has not been assented or passed over to another person.
J	The dwelling is a Job-Related Dwelling	Second Homes	Whilst the qualifying conditions are met.	The liable party must also be liable for council tax at the occupied rate for another dwelling, and be required to occupy that property as a condition of their employment.	Address of second property.  Contract of employment confirming the requirement to live elsewhere.
K	The dwelling is a Caravan Pitch or a Boat Mooring	Second Homes	Whilst the qualifying conditions are met	The dwelling is a pitch occupied by a caravan, or a mooring occupied by a boat.	Site visit if required
L	The dwelling is subject to a Planning Condition preventing	Second Homes	Whilst the qualifying conditions are met	The dwelling must have an occupancy restriction imposed by a planning condition for one of the following reasons:	Copy of the Planning Permission containing the restriction on occupancy or specifying the dwelling

	occupancy			<ul style="list-style-type: none"> <li>• Preventing occupancy for a continuous period of at least 28 days in one year,</li> <li>• Specifying it may only be used as a holiday let, or</li> <li>• Preventing it being occupied as someone's sole or main residence.</li> </ul>	cannot be used as a main home or must be used as a holiday let.
M	Uninhabitable Dwellings	Empty Dwellings	12 months from the date the property becomes uninhabitable	<p>The dwelling is one which falls in Class D – i.e. it is one which qualifies for a reduction as it is uninhabitable.</p> <p><i>Note – this council currently awards a 25% discount for 12 months to uninhabitable dwellings and they will not be subject to the long-term empty property levy during the qualifying period.</i></p>	Evidence that the dwelling requires or is undergoing work to its structure to render it habitable, including work to the walls, floors, ceilings, foundations or roof.
Z	Unoccupied Furnished Residential Lets	Second Homes	Whilst the qualifying conditions are met	The dwelling is one which is furnished and is let on an assured shorthold tenancy (or equivalent) to occupants who occupy the dwelling as their main home. The exception applies for the days when the property is unoccupied.	Evidence that the former tenant used the property as their main home, and proof that the property is being marketed for let on an assured shorthold tenancy (or equivalent).

- 4. Other Circumstances**

The discretionary powers to reduce or remit council tax liability under s13(a) Local Government Act 1992 still apply and are contained in the council's Council Tax Discretionary Relief Policy.
- 5. Applications**

The liable person may be required to complete an application form to apply for an exception to the premium or levy, unless we decide we are able to apply the exception without one.
- 6. Evidence**

We may ask for any reasonable evidence to support an application for an exception to the premium or levy. Failure to provide this is likely to result in an application being unsuccessful.
- 7. False Information and Fraudulent Applications**

Any attempts to commit fraud through false statements and fraudulent applications for an exception are taken extremely serious and we may take further action against anyone attempting to defraud the council tax system.

Sanctions include a penalty of £70 for first offence, and £280 for each second and subsequent offence, and prosecution under the Fraud Act 2006.
- 8. Appeals**

The decision not to apply an exception can be appealed. In the first instance an appeal should be made in writing or by email to the Revenues and Benefits Manager, clearly stating why the appeal is being made, and providing evidence.
- 9. Equalities Implications**

A Pre-Screening Equalities Impact Assessment is included at Appendix A.
- 10. Reference Documents**

The Levelling-Up and Regeneration Act 2023

The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments)(England) Regulations 2024 (Statutory Instrument 2024/1007)

Cabinet Report of 15 January 2024 and minutes of the Council Meeting 31 January 2024



## 11. Version Control

Policy name	Second Homes Premiums and Long-Term Empty Levies– Policy for Exceptions			
Policy description	Policy detailing the exceptions to the additional premiums for certain council tax properties			
Responsible Officer	Jo Stanton, Revenues and Benefits Manager			
Version number	Date formally approved	Reason for update	Author	Review date
1.0		Policy Creation	Jo Stanton	1 January 2026



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<b>Pre-Screening Equality Impact Assessment</b>		Borough Council of <b>King's Lynn &amp; West Norfolk</b>			
Name of policy	Policy for Exceptions to the council tax Second Homes Premium and Long-Term Empty Levy				
Is this a new or existing policy/ service/function?	New				
Brief summary/description of the main aims of the policy/service/function being screened.	The policy details the circumstances in which the additional council tax charges for long term empty properties and second homes will not apply.				
Please state if this policy/service is rigidly constrained by statutory obligations	This is a new policy and includes the statutory exceptions to the premiums and levies.				
Question	Answer				
<p><b>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</b></p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			√	
	Disability			√	
	Gender			√	
	Gender Re-assignment			√	
	Marriage/civil partnership			√	
	Pregnancy & maternity			√	
	Race			√	
	Religion or belief			√	
	Sexual orientation			√	
Other (eg low income) – Armed Forces	√				

Question	Answer	Comments
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No	
3. Could this policy/service be perceived as impacting on communities differently?	No	
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No	
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?  If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	N/A	<b>Actions:</b>
		<b>Actions agreed by EWG member:</b>   <b>Alison Demonty</b>
<p><b>If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</b></p> <p>The policy reflects the statutory exceptions to the second homes premiums and long term empty property levies, meaning those who qualify will not be required to pay the additional council tax charge.</p> <p>There is a positive impact on the Armed Forces community who live elsewhere in accommodation provided by the MOD as they are excepted from paying the additional premiums. This also supports our Armed Forces Covenant.</p> <p>The council has a Council Tax Discretionary Reliefs policy and any individual who is affected by the increased charges but who doesn't qualify for an exception is able to apply for a reduction.</p> <p style="text-align: right;"> <b>Decision agreed by EWG member: Alison Demonty</b></p>		
<b>Assessment completed by:</b> <b>Name</b>	<b>Jo Stanton</b>	
<b>Job title</b>	<b>Revenues and Benefits Manager</b>	

Date	13 November 2024
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**Appendix D: Government Guidance on the implementation of the Premiums**

(attached as a separate document for Dem Services to insert)