

August 2024

APPENDIX C



Staffordshire Moorlands District Council

Empty Property & Second Home Premium and Exception Policy

Policy updated August 2024

Revenues and Benefits Team

Introduction

Under section 11B of The Local Government Finance Act 1992 and associated regulations, sets out the mechanism for levying council tax on domestic properties. The regulations give councils some discretion in setting the level of council tax charged in respect of unoccupied properties and second homes.

The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 allows councils to levy a higher amount of Council Tax for long-term empty dwellings that are unoccupied and unfurnished. This is known as an empty property premium.

Where properties remain empty and substantially unfurnished for a period of 12 months or more, the Long Term Empty Property Premium (the premium) will apply.

The reason behind the introduction of the premium is to encourage owners and landlords to bring empty properties back into use to help ease the shortage of domestic accommodation.

The premium applies to the property and any change of ownership or tenancy will not affect the premium. If, or when a property is purchased or leased, the property had already been empty and substantially unfurnished for 12 months or more, the additional premium will apply.

Any periods of occupation of six weeks or less will be disregarded when considering how long a property has been empty. Periods of occupation for six weeks or less will not give rise to a further period of 21 days discount or start a new period of two years before charging the empty homes premium.

All applications for exceptions to be made to the empty property premium and second home premium when it comes into force from 1 April 2025 will be considered under the Council Tax Discretionary Discount Policy, developed under Section 13a Local Government Finance Act 1992. Details of the policy are available on request.

The Council will consider waiving the premium for applicants who meet the qualifying criteria as specified in this policy. The Council will treat all applications on their individual merits and, through these guidelines, will consider granting full or partial exemptions.

1. Purpose and principles of the policy

- 1.1 The purpose of this policy is set out the charges to be levied in respect of empty unoccupied properties and second homes in relation to the Council's discretionary powers.
- 1.2 This policy also sets out guidelines to be applied when deciding whether an exception to applying the empty property premium may be considered. This policy will provide guidance to officers and council tax payers on the additional premiums and exceptions.

2 History of Long Term Empty Property Premium

2.1 From 1 April 2013 to 31 March 2019

Properties empty and substantially unfurnished over two years were subject to a premium of 50%. This meant that the charge was 150%.

2.2 From 1 April 2020

- Properties empty and substantially unfurnished between 2 and 5 years were subject to a premium of 100%. This meant that the charge for the property was 200%.
- Properties empty and substantially unfurnished for at least 5 years, but less than 10 years, were subject to a 200% premium. This meant that the charge for the property was 300%.

2.3 From 1 April 2022

- Properties that have been empty and substantially unfurnished for 10 years were subject to a 300% premium resulting in a council tax charge of 400%.

2.4 From 1 April 2024

- Properties empty and substantially unfurnished between 12 months and 5 years will be subject to a premium of 100%. This means that the charge for the property will be 200%.
- Properties empty and substantially unfurnished for at least 5 years, but less than 10 years, will be subject to a 200% premium. This means that the charge for the property will be 300%.
- Properties that have been empty and substantially unfurnished for 10 years will be subject to a 300% premium resulting in a council tax charge of 400%.

3 Prescribed Exceptions:

- 3.1 The following types of property will not attract the empty property premium.

- A property which has been left empty by a member of the Armed Forces who has been posted away from home.
- A property which is an annexe to another property, and it is being used as part of the main property.

3.2 Discretionary exceptions

- Where the imposition of the council tax premium would result in severe financial hardship to someone with a serious illness, disability or vulnerability, the Council will consider waiving all or part of the premium.
- The property is actively being marketed for sale. Evidence will be requested to support claims that a property is being marketed for sale, such as a copy of the agreement with selling agents, the number of enquiries received and viewings arranged or completed, etc.
- The property is actively being marketed for let. Evidence will be requested to support any claims that a property is being marketed for let, such as a copy of the agreement with letting/managing agents, the number of enquiries received and viewings arranged or completed, etc.

3.3 **Following consultation, the Government has proposed to legislate the following exceptions for the financial year 2025/26.**

3.4 **Properties undergoing probate:** The Government will legislate to ensure that 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 has ended; but a premium cannot be levied for a 12-month period. Where there are cases that merit a longer exception period, or a higher level of discount, councils can continue to exercise their discretion.

3.5 **Properties being actively marketed for sale or to let:** The Government will legislate to ensure that a 12-month exception to both the empty and second home premiums applies to properties that are actively marketed for sale or let. The exception would run from when the exception first applies until the end of the exception period or until the property is no longer actively marketed, sold, or let (whichever is sooner).

3.6 **Empty properties undergoing major repairs:** The Government will legislate so that properties undergoing major repairs or structural alternations will have a 12-month exception from the empty homes premium.

4 Second Home Premium

- 4.1 Staffordshire Moorlands District Council approved proposals for a council tax premium on second homes, under the new flexibilities for councils provided in the Levelling Up and Regeneration Bill, which received Royal Assent in October 2023.
- 4.2 The introduction of the 100% council tax premium on second homes will come into effect on 1 April 2025, making a total council tax charge of 200%. Unlike empty dwellings, there is no requirement for a property to have been used as a second home for a fixed period of time before the premium can apply so it becomes chargeable from day one that a property is considered a second home (or dwelling periodically occupied).
- 4.3 **Following consultation, the Government has proposed to legislate the following exceptions to the second homes council tax premium for the financial year 2025-26.**
- 4.4 **Properties undergoing probate:** The Government will legislate to ensure that 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 has ended; but a premium cannot be levied for a 12-month period. Where there are cases that merit a longer exception period, or a higher level of discount, councils can continue to exercise their discretion.
- 4.5 **Properties being actively marketed for sale or to let:** The Government will legislate to ensure that a 12-month exception to both the empty and second home premiums applies to properties that are actively marketed for sale or let. The exception would run from when the exception first applies until the end of the exception period or until the property is no longer actively marketed, sold, or let (whichever is sooner).
- 4.6 **Annexes forming part of, or being treated as part of, the main dwelling:** The Government will legislate to introduce an exception to the second homes premium for annexes which form part of a single property which includes at least one other dwelling. The exception will not apply to annexes where they are not being used as part of the main residence.
- 4.7 **Job-related dwellings:** The Government will legislate to introduce 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.
- 4.8 **Occupied caravan pitches and boat moorings:** The Government will legislate so that a pitch occupied by a caravan and a mooring occupied by a boat are an exception to the second homes premium.

4.9 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, the Government will legislate so that such properties are an exception to the second homes premium.

4.10 Discretionary Exceptions:

From 1 April 2025, the Council will also consider waiving the second home premium in part or whole where the imposition of the premium would result in severe financial hardship to someone with a serious illness, disability or vulnerability.

5 Appeals

If you do not agree with the amount of Council Tax you are liable to pay you can appeal. To do this you must:

- Write to us to tell us what the issue is.
- We will respond with the reasons for our decision. However, if you remain dissatisfied, you may appeal to the Valuation Tribunal within 2 months, or you do not receive a reply from us within 4 months then you can appeal to the Valuation Tribunal.
- Further details on how to appeal to the Valuation Tribunal can be found here <https://www.valuationtribunal.gov.uk/your-appealtype/council-tax/council-tax-liability-2/> or by contacting the Valuation Tribunal Service on 0300 123 2035.