

Blaby District Council

Cabinet Executive

Date of Meeting	13 January 2025
Title of Report	Council Tax – Second Home Premium and Empty Property Premium amendments This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Revenues & Benefits Manager
Strategic Themes	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

1. What is this report about?

- 1.1 The Levelling Up and Regeneration Act 2023 gives Local Authorities the option to include a council tax premium on properties which are occupied periodically (second homes) and a reduction from two years to one year before an empty home premium is applied.
- 1.2 The proposal also seeks to provide notice that the Council will introduce further premiums to long term empty homes

2. Recommendation(s) to Cabinet Executive

- 2.1 To increase Council Tax for all properties which are occupied periodically by 100% from 1 April 2026 subject to any exemptions set out the Local Government Finance Act 1992.
- 2.2 To increase the Council Tax empty homes premium to 100% for properties empty for between one and five years (currently over 2 years) from 1 April 2026 subject to any exemptions set out in the Local Government Finance Act 1992 and guidance.
- 2.3 To increase the Council Tax empty homes premium to 200% for properties empty for between five years and ten years from 1 April 2026 subject to any exemptions set out in the Local Government Finance Act 1992 and guidance.

- 2.4 To increase the Council Tax empty homes premium to 300% for properties empty over ten years from 1 April 2026 subject to any exemptions set out in Local Government Finance Act 1992 and guidance.

*All recommendations are subject to feedback following the end of the consultation period at 11.59pm on Monday 6th January.

3. Reason for Decisions Recommended

- 3.1 The purpose of changing the Empty Homes Premium for long-term empty properties is to provide owners with a further incentive to bring empty homes back into use, thus supporting the aims of the Council's Empty Homes Enforcement Strategy as well as generating additional Council Tax income. The current Empty Homes Premium that is applied by the Council is 100% for properties that have been empty for 2 years and over.
- 3.2 The purpose of the Second Home Premium is to close the loophole where furnishing an empty property negates the Empty Home Premium charge as well as generating additional Council Tax income.

4. Matters to consider

4.1 Background

For Council Tax purposes second homes are properties that are furnished but where no-one lives as their main residence. Council Tax is charged at the standard 100% charge, in line with the property council tax band. The Levelling Up and Regeneration Act 2023, inserts a new Section 11C of The Local Government Finance Act 1992, to enable Billing Authorities to determine a higher amount for properties occupied periodically (second homes) of up to an additional 100%. The conditions are:

- There is no resident of the property and
- The property is substantially furnished.

There is no legal definition for what constitutes substantially furnished. In any disputed cases we will always visit and make an assessment.

With increased pressure to find housing for people in need the Council wants to encourage homeowners to bring homes into use to the benefit of all residents.

As of 1st December 2024, Blaby District Council has 115 properties recorded as Second Homes. The breakdown is as follows:

Band A	Band B	Band C	Band D	Band E	Band F
15	26	33	15	9	1

Based on the Council Tax charge for 2024/25 financial year, if an additional 100% second home premium were to be introduced, additional charges of approximately £256,000 could be billed. It is estimated that approximately £21,000 of the premium is attributable to Blaby District Council.

Long-term empty homes within Blaby District Council, are currently subject to an Empty Homes Premium, introduced in April 2019 and which allows additional council tax premium charge as follows:

- 100% additional Empty Homes Premium on properties which are empty for more than two years.

The Levelling Up and Regeneration Act 2023 Section 79, amends Section 11B of The Local Government Finance Act 1992. This changes the definition of a long-term empty dwelling, allowing an empty home premium of an additional 100% on properties which are empty for more than one year, instead of two years.

Local Government Finance Act 1992, (as amended) Section 11B (1C) also allows further additional premiums on empty homes:

- 200% additional Empty Homes Premium on properties which are empty for more than five years but less than ten years.
- 300% additional Empty Homes Premium on properties which are empty for more than 10 years

Number of properties that would be subject to these premiums:

Level of Premium	Number of properties subject to a Premium on 1 st December 2024
100% premium on properties which have been empty for more than one year but less than five years	279
200% premium on properties which have been empty for five years or more but less than ten years	15
300% premium on properties which have been empty for ten years or more	5

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
1 to 5 years	36	102	65	33	22	14	6	1
5 to 10 Years	3	4	2	2	1	3	0	0
10 years and over	1	2	1	1	0	0	0	0

The Local Government Finance Act 1992 (as amended) section 11C subsection (3) legislates that any Billing Authority wishing to implement the discretionary second home premium charge must make a Council resolution confirming its requirements at least one year before the beginning of the financial year to which it relates, hence the request for the approval to increase Council Tax on second homes at this early stage.

A billing authority that wishes to vary a determination relating to the Empty Homes Premium must do so before the beginning of the financial year under Section 11B of the Local Government Finance Act 1992 (as amended) subsection (5).

Any additional income generated would be shared across local Parish Councils, Leicestershire County Council, the Office of the Police and Crime Commissioner and Combined Fire Authorities as all other Revenue from Council Tax. The additional income generated that is attributable to Blaby District Council is not estimated to be a significant sum given a number of properties have already reached the time threshold for the 100% premium to be paid.

4.2 Proposal(s)

It is proposed that the following Empty Homes Premiums are approved for introduction from 1st April 2026:

- 100% additional Empty Homes Premium on properties which are empty for more than one year but less than five years.
- 200% additional Empty Homes Premium on properties which are empty for more than five years but less than ten years.
- 300% additional Empty Homes Premium on properties which are empty for more than 10 years.

In addition to this it is also proposed that Council Tax for all properties which are occupied periodically (Second Homes) is increased by 100% approved for

introduction from 1st April 2026 subject to any exemptions set out in Regulations.

The above proposals are subject to taking into account the consultation feedback which closes after publication of this report.

4.3 Relevant Consultations

Appendix A to follow once the consultation which is currently in progress has closed.

4.4 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Public Health Inequalities. An Equalities Impact Needs Assessment has been completed and there are no areas of concern.

5. Environmental impact

- 5.1 No Net Zero and Climate Impact Assessment (NZCIA) is required for this report.

6. What will it cost and are there opportunities for savings?

- 6.1 The financial implications associated with the recommendations have been detailed within the main body of the report. It should be noted also that the Council have the software to enable the billing amendments to take place without incurring further costs.

7. What are the risks and how can they be reduced?

- 7.1 .

Current Risk	Actions to reduce the risks
If it becomes difficult to collect the higher council tax or owners use tactics to avoid the premium then the additional income, even after the exemptions, may not be fully realised	Officers will monitor the collection of the Council Tax Premiums and take measures to collect the outstanding debt.
If owners continue to leave properties empty or as second homes the number of properties in these categories will not reduce and will not come back into use.	Officers will continue to monitor the situation and look at alternative measures to encourage properties to be brought back into use.

8. Other options considered

- 8.1 The alternative considered was to keep the empty home premium at its current level and not to introduce the second home premium but given the priority to increase the availability of affordable housing in the district this would not help to utilise this measure to encourage owners to bring properties back into occupation.

9. Appendix

- 9.1 Appendix A – Consultation Report (To follow)

10. Background paper(s)

- 10.1 [The Levelling Up and Regeneration Act 2023](#) – Chapter 2 Section 79 and 80
- 10.2 [The Local Government Finance Act 1992 Section 11B](#) (1C)
- 10.3 [The Local Government Finance Act 1992 Section 11C](#)
- 10.4 Equalities Impact Needs Assessment (EINA)

11. Report author's contact details

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