

This report is public	
Council Tax Empty Homes Premium Policy 2025/26	
Committee	Portfolio Holder Decision
Date of Committee	N/A – Portfolio Holder Decision
Portfolio Holder presenting the report	Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	12 March 2025
Report of	Head of Revenues and Benefits Jacey Scott

Purpose of report

To update and seek agreement on the proposed policy for applying council tax empty homes premium including relevant exemptions premium and giving notice of the Councils intention to introduce second homes premium from 1 April 2026.

1. Recommendations

The Portfolio Holder resolves:

- 1.1 To approve the proposed policy for the Council Tax Empty Homes Premium and give notice of the Councils intention to adopt a premium on second homes from 1st April 2026

2. Executive Summary

- 2.2 Councils have the discretion to decide whether to introduce a premium in their local area or parts of the area on long-term empty homes and second homes. They also have the discretion to decide on the level of the premium, up to the maximum statutory threshold.
- 2.3 Sections 11B and 11C of the Local Government Finance Act 1992 determined a long-term empty property as a property that is unoccupied and substantially unfurnished for two years or more. The legislation was amended through the Levelling-up and Regeneration Act 2023 giving each local authority the power to charge a premium after one year of the property being unoccupied and substantially unfurnished with effect from 1 April 2024.
- 2.4 Cherwell District Council will implement this legislative amendment with effect from 1 April 2025.
- 2.5 The Council accepts that there are certain circumstances where it is reasonable to consider deferring the Premium including those detailed in legislation.

- 2.6 The charging of a premium is to encourage owners to bring long term empty properties back into use.

Implications & Impact Assessments

Implications		Commentary		
Finance		Any changes to the premiums will be accommodated as part of the budget process with final estimates included in the annual council tax base calculation Kelly Wheeler, Finance Business Partner, 23 January 2025		
Legal		The report sets out the Council's statutory powers in relation to Council Tax for empty properties. It is the Council's discretion to prohibit a premium for council tax being charged on long term empty properties. The Council's legal department can assist with any work required to implement and enforce the new policy. The proposed changes for second homes and premiums will be published in a local newspaper with the 2025 -26 Council Tax charges. Denzil – John Turbervill, Head of Legal, 23 January 2025		
Risk Management		The reviewing of this policy mitigates the risk of the Council being successfully challenged on any decisions it takes in line with its policy, providing transparency on our decision process. Celia Prado-Teeling, Performance Team Leader, 23 January 2025		
Impact Assessments		Positive	Neutral	Negative
Equality Impact			X	
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?			X	
B Will the proposed decision have an impact upon the lives of people with protected			X	

characteristics, including employees and service users?				
Climate & Environmental Impact				N/A
ICT & Digital Impact				N/A
Data Impact				NA
Procurement & subsidy				N/A
Council Priorities	Housing that meets your needs			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 From 1 April 2013, billing authorities may charge a premium on a class of property that has been unoccupied and substantially unfurnished for two years or more.
- 3.2 Cherwell District Council commenced charging the additional premium effective from 1 April 2016.
- 3.3 Since 1 April 2016, the premium was charged at an additional 50%. This increased to a 100% premium from 1 April 2019. From 1 April 2020, the 100% premium remained for properties empty between 2 years and 5 years, with a 200% premium applied to properties empty 5 years or more. These premiums remained in place with the addition of a 300% premium from 1 April 2023 for properties that remained empty for 10 years or more.
- 3.4 Sections 11B and 11C of the Local Government Finance Act 1992 enables councils in England to disapply the section 11(2)(a) discount which may otherwise apply to long-term empty homes and apply additional council tax (commonly called a premium). The 1992 Act was amended through the Levelling-up and Regeneration Act 2023 ("the 2023 Act") so that councils can apply a premium on homes which have been empty for 1 or more years from 1 April 2024.
- 3.5 Cherwell District Council will charge a premium once a property has remained unoccupied and unfurnished for one year or more from 1 April 2025.

- 3.6 Cherwell District Council will adopt a premium on second homes from 1st April 2026. Where a determination to charge a premium is made, councils must publish a notice of the determination in at least one newspaper, this will be included in publication for the 2025 -26 Council Tax charges.
- 3.7 The government's intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent.

4. Details

- 4.1 The premiums will apply to unoccupied and substantially unfurnished properties with effect from 1 April 2025 as follows:

Properties empty for a period of 1 to 5 years – the maximum premium will be 100%.

Properties empty for a period of 5 to 10 years – the maximum premium will be 200%.

Properties empty for a period of more than 10 years – the maximum premium will be 300%.

- 4.2 The Council accepts that there are certain circumstances where it is reasonable to consider deferring the Premium. These are as follows: -

- Where the dwelling is or would be someone's sole or main residence if they were in residing in job-related armed forces accommodation.
- Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
- Annexes forming part of or being treated as part of the main dwelling.
- Where the owner can clearly demonstrate continuous, ongoing, and realistic efforts to sell or let their property over the last two years since it become empty. (12 months' time limit)
- Where the owner is experiencing legal or technical issues which is preventing the sale or letting of the property – Evidence from a legal professional will be required in these circumstances giving an indication of when the legal/technical issue should be resolved. (12 months' time limit)
- With effect from 1 April 2019, where the property had been empty for one year or more and the new owner needs to conduct major repairs before they move in. In this scenario the decision to grant a full or partial waiver will consider the major repairs required and what is considered a reasonable time to complete the repairs – A surveyor's report may be requested in these circumstances including an indication of the likely time to conduct repairs. (12 months' time limit)

- 4.3 Where the Council agrees to defer the Premium, this will mean that the Owner of the Property will remain liable only for the standard Council Tax charge this will be at the rate of 100% for the applicable property for the agreed period of deferral.
- 4.4 It is expected that the property will have been brought back into occupation by the end of the period of deferral. Where this is the case, the Premium will no longer apply.
- 4.5 Each application for a deferral of the Council Tax Empty Homes Premium must be made in writing/by email and will be considered on its own merits and in accordance with the proposed Policy.
- 4.6 The Council will decide the length of time for which the Premium will be deferred. As indicated above, this will be on basis of the evidence supplied and the facts known. Any maximum period for deferring the Premium is stated above.
- 4.7 The Council reserves the right to make routine inspections of the property during the period of the deferral and may review the award to satisfy itself that the circumstances of the deferral remain applicable.
- 4.8 The Council may need to withdraw the deferral of the premium if the circumstances relating to the empty property have materially changed (such as the work being completed). The applicant must notify the Council of any change in circumstances affecting the deferral within 21 days. Failure to do so may result in the deferral being revoked in full.

5. Alternative Options and Reasons for Rejection

- 5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not bring forward a reviewed and amended policy. However, this will reduce the incentive to bring long term empty homes back into use and result in reduced future income to the authority.

6 Conclusion and Reasons for Recommendations

- 6.1 It is important that the Council has up to date policies and procedures for its statutory and key service areas and it is important that they are legislatively and operationally sound.
- 6.2 Consultation was undertaken as part of the budget for adopting a premium after 12 months was met a 92 % positive response. The adopting a premium on second homes effective from 1 April 2026 received 88% positive response.
- 6.2 Recommended to comply with the council's objective of reducing the number of long-term empty properties and adopting premiums on second homes from 1st April 2026.

Decision Information

Key Decision	No
Subject to Call in	Yes
If not, why not subject to call in	N/A
Ward(s) Affected.	All

Document Information

Appendices	
Appendix 1	Empty Homes Premium Council Tax policy
Background Papers	None
Reference Papers	Appendix – Premium policy
Report Author	Vicki Taplin, Revenue Services Manager
Report Author contact details	Vicki.Taplin@Cherwell-dc.gov.uk 01295 227927
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Corporate Director for Assistant Director for Finance 24.01.2025 .