



Appendix 22



Ministry of Housing,
Communities &
Local Government

Guidance

Guidance on the implementation of the council tax premiums on long-term empty homes and second homes

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Applies to England

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Introduction

Since 2013, councils [\[footnote 1\]](#) in England have had the power to charge additional council tax on long-term empty homes. For the purpose of council tax, long-term empty homes are dwellings which have been unoccupied and substantially unfurnished for a period. In April 2024, the empty homes council tax premium was strengthened so that councils can charge the premium on homes that have been empty for 1 or more years (rather than the previous 2 years).

Additionally, from April 2025, councils will be able to use new powers to charge a premium of up to 100% additional council tax on second homes in their area, or parts of their area. For the purpose of council tax, second homes are dwellings which are substantially furnished but have no resident (i.e. it is not someone's sole or main residence).

The powers to charge the empty homes or second homes premium (or both) is discretionary, and it is for councils to decide whether to charge the premiums in their local area and at what rate, up to the statutory maximum.

This guidance has been published to set out the circumstances where a premium can be charged, the discretion available to councils in doing this, the administration of premiums and the application of the exceptions. This guidance is also intended to enable taxpayers to identify the circumstances where their dwelling may be excepted from a premium.

This guidance is issued under powers in [section 11B\(1D\) and 11C \(4\) of the Local Government Finance Act 1992](#) (<https://www.legislation.gov.uk/ukpga/1992/14/contents>) ("the 1992 Act") as inserted by the Levelling-up and Regeneration Act 2023. It applies to all councils in England. This does not apply to councils in Wales, Scotland or Northern Ireland.

This guidance should not be treated as an interpretation of the legislation. Councils should make their decisions based on the legislation and their specific local circumstances.

1. Implementation of the council tax premiums on long-term empty homes and second homes

Legal framework for the council tax premiums

Sections 11B and 11C of the 1992 Act

(<https://www.legislation.gov.uk/ukpga/1992/14/contents>) enables councils in England to disapply the section 11(2)(a) discount which may otherwise apply to long-term empty homes and second 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. The 2023 Act also introduced new powers for councils to charge premiums on second homes from 1 April 2025 (provided that the conditions set out in section 11C of the 1992 Act apply).

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.

A council must make its first determination to charge a second homes premium at least 1 year before the financial year to which it will apply. This is to provide owners of these dwellings sufficient notice to make any appropriate changes. Councils may vary or revoke a determination under these same powers but only before the beginning of the financial year to which this will apply. When using these powers, councils can determine the long-term empty homes or second homes to which they will apply a premium. This enables each council to tailor its determination to local circumstances.

Where a determination to charge a premium is made, councils must publish a notice of the determination in at least 1 newspaper circulating in its area within 21 days of the date of the determination [\[footnote 2\]](#).

The Secretary of State has powers under section 11B(2)-(3) and 11D(1)-(2) of the 1992 Act to prescribe through regulations certain classes of dwelling which may not be made subject to a premium. The [Council Tax \(Prescribed Classes of Dwellings and Consequential Amendments\) \(England\) Regulations 2024](#) (<https://www.legislation.gov.uk/uksi/2024/1007/contents/made>) prescribe these exceptions, and these are detailed later in this guidance.

The council tax system already provides a number of specific exemptions from council tax. The exempt classes are set out in the [Council Tax \(Exempt Dwellings\) Order 1992](#) (<https://www.legislation.gov.uk/uksi/1992/558/contents/made>). There are a number of exemptions in place for unoccupied dwellings, including:

- where the resident has died for up to 6 months after grant of probate or letters of administration)
- where the resident is in long-term residential care or hospital
- where the resident is living elsewhere to provide personal care

A dwelling that is exempt from council tax is not liable for a premium. Where a dwelling is no longer eligible for an exemption but remains no one's sole or main residence, it may become liable for a premium. In the case of an empty home, it may become liable for a premium after it has been empty for a continuous period of 1 year. This time frame begins when the dwelling first becomes empty rather than when an exemption ends. A second home may become liable for the premium as soon as the exemption ends.

Section 11B: Higher amount for long-term empty dwellings

A long-term empty home is defined as a home which is both unoccupied and substantially unfurnished for a continuous period of at least 1 year. The dwelling must be occupied, or substantially furnished, for a continuous period of at least 6 weeks in order for it to reset the length of time it has been empty for, and its liability for a premium.

Where a council makes a determination to charge a premium on long-term empty dwellings, it may specify different percentages for dwellings based on the length of time for which they have been empty. This enables councils to take a stepped approach, with increases over time. These include:

- up to 100% for homes empty between 1 and 5 years
- up to 200% for homes empty between 5 and 10 years
- up to 300% for homes empty for over 10 years

Councils are able to choose the level of the premium, up to the applicable statutory maximum. For example, they may apply a 50% premium for dwellings empty between 1 and 2 years and a premium of 100% of dwellings empty for 2 to 5 years.

Section 11C and 11D: Higher amount for dwellings occupied periodically

Dwellings occupied periodically (commonly referred to as “second homes”) are defined as dwellings which are substantially furnished and have no resident (i.e., not a person’s sole or main home).

When introducing the premium in the local area or parts of the area for the first time, a council must make its first determination under section 11C at least 1 year before the beginning of the financial year to which the determination to apply the premium relates.

Where individuals own multiple homes, but the homes are let out or occupied by someone as their main home, it will not be considered as a “second home” for the purposes of the premiums and as such will not be liable for the premium. It is for councils to determine whether a dwelling is a “second home” in accordance with the legislation and their local statutory determination to apply the premium.

Making a determination to charge the council tax premiums on long-term empty homes and/or second homes

Councils have the discretion whether to apply the premium in their local areas and will determine how best to use this in combination with other measures to bring dwellings back into use or how the additional flexibilities may be used to improve the sustainability of local services.

The decision to make a determination under section 11B and 11C of the Local Government Finance Act 1992 is for councils to make. However, the government expects councils to have due consideration of local circumstances. Councils can choose to apply either or both of the council tax premiums; they can also choose to apply the premium to parts of the local area rather than to the whole of their local area. This flexibility allows councils to tailor the premiums to best address local concerns or priorities.

Councils should carefully consider whether to charge a premium and make an assessment of possible impacts, including on the local population, its communities, and the local economy. Examples of factors that councils may wish to consider are set out below. Whilst some factors will be specific to either long-term empty dwellings or second homes, others will be common to both. The list is not exhaustive, and councils will want to consider all factors they think are relevant before making a decision.

- numbers and proportion of long-term empty dwellings and/or second homes in the local 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
- other measures that are available to councils to help bring empty dwellings back into use

Councils should consider the reasons why dwellings are unoccupied in deciding whether they want such dwellings to be included in their determination. Examples of issues councils may want to take account of in making their determination include:

- on average, how long dwellings in their area are available for sale or rent before completion/occupation
- the average price/rent in the local area
- whether there are circumstances which make the dwelling unsuitable for use as main residence
- whether there are circumstances which make the dwelling difficult to sell/let
- whether the dwelling is empty so that improvements can be made between sale/let

Any decision to vary or revoke a determination to apply a premium must be made before the beginning of the financial year to which it applies. This enables councils to take any changes into account when calculating their taxbase for the following year as well as giving local taxpayers advance notice of the changes.

Councils should consider how it might engage and consult with key stakeholders, including the local electorate and second homeowners, before taking a decision to charge a premium. If councils decide to introduce or vary a premium, they should consider how this is communicated, particularly to those who might be directly affected. For instance, through publication of press notices, providing information on website pages or direct communication with council taxpayers who are likely to be liable for the premium. Councils should also consider how they advise or inform those who may be affected but may reside outside the local area.

2. Exceptions to the council tax premiums for long-term empty homes and second homes

The government recognises that there may be instances where it may be inappropriate for the council tax premiums to apply. Section 11B and 11D of the 1992 Act enables the government to make regulations to prescribe classes of dwellings in relation to which councils may not make a determination to apply a premium.

The government has made regulations to provide exceptions to these premiums, in line with the published [consultation response](https://www.gov.uk/government/consultations/proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums/outcome/summary-of-responses-and-governments-response-to-the-consultation-on-proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-in-eng) (<https://www.gov.uk/government/consultations/proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums/outcome/summary-of-responses-and-governments-response-to-the-consultation-on-proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-in-eng>). These exceptions to the premium are mandatory and councils may not disapply any exceptions. These exceptions will come into effect from 1 April 2025.

The regulations prescribe 9 classes of dwellings which are excluded from the council tax premiums. Classes E, F, G, H and I apply to both long-term empty homes and second homes. Classes J, K and L only apply to second homes. Class M only applies to long-term empty homes.

The classes of dwelling are outlined in the table below and are detailed further in the guidance. These exceptions only exclude these dwellings from premiums, these do not affect the standard rate of council tax they may be liable for. Exceptions may apply in succession where the dwelling meets the necessary criteria. Councils may add extensions to exceptions as a part of their determination or may provide support through discretionary reductions using powers under [section 13A of the Local Government Finance Act 1992](https://www.legislation.gov.uk/ukpga/1992/14/section/13A) (<https://www.legislation.gov.uk/ukpga/1992/14/section/13A>).

Where a person believes they may meet the criteria for an exception from the premium they may wish to contact their council directly. The council will be best placed to assess whether an exception would apply in these circumstances. Furthermore, councils have discretionary powers to provide additional exceptions from premiums where they consider this appropriate.

Classes of Dwellings	Application	Definition
Class E	Long-term empty homes and second homes	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation
Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of, the main dwelling

Classes of Dwellings	Application	Definition
Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale (12 months limit)
Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit)
Class I	Long-term empty homes and second homes	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
Class J	Second homes only	Job-related dwellings
Class K	Second homes only	Occupied caravan pitches and boat moorings.
Class L	Second homes only	Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously
Class M	Long-term empty home only	Empty dwellings requiring or undergoing major repairs or structural alterations (12 months limit)

Annexes and military accommodation (Class E and Class F)

Two mandatory exceptions from the empty home premium already exist:

- a dwelling which is or would be the sole or main residence of a member of the armed services, who has been provided with a dwelling as a result of such service

- a dwelling which forms part of a single property with one or more other dwellings that is being used by a resident of one of the other dwellings as part of their sole or main residence

These exceptions will continue to apply for empty homes and will also be applied in the case of the second homes premium.

Job related dwellings and caravan pitches/boat moorings (Class J and Class K)

The council tax system already contains provisions which ensure that in certain circumstances these dwellings receive a 50% council tax discount. The government does not intend to change the discounts which these dwellings receive. The exceptions mirror the provisions of these discounts to ensure these dwellings continue to receive these discounts.

Generally, a dwelling would be classed as a job-related dwelling where it is a dwelling provided by a person's employer for the purposes of performing their work. The definition of a job-related dwelling for the purposes of this exception is set out in the [Schedule to the Council Tax \(Prescribed Classes of Dwellings\) \(England\) Regulations 2003](#) (<https://www.legislation.gov.uk/uksi/2003/3011/schedule/made>). Examples include headteachers for boarding schools who are required to live in school accommodation, or certain care workers who need to live on site to carry out their role.

Certain households may fall outside the definition of a job-related dwelling; however, the council may determine that it would still not be appropriate for the premium to apply. Councils have the discretionary power to exclude any dwellings from the premium where they consider this appropriate.

Probate (Class I)

There is an existing Class F council tax exemption for dwellings undergoing probate. When a dwelling has been left empty following the death of its owner or occupant, it is exempt from council tax for as long as it remains unoccupied and until probate is granted. Following a grant of probate (or the issue of letters of administration), a further 6 months exemption is possible, so long as the dwelling remains unoccupied and has not been transferred by the executors or administrators to the beneficiaries or sold to anyone else.

Following a grant of probate the owners of the dwelling may require further time to decide how they will manage the home or sell it. The Regulations provide for a 12-month exception to the premium for both second and empty homes. The 12-month period begins from the point probate is granted or letters of administration have been issued. This runs concurrently with the 6-month exemption.

This exception will run for 12 months or until the dwelling has changed owner by being sold. Councils may wish to consider the specific circumstances of the dwelling's owners at the end of the period and whether to use their discretionary power to extend this exception.

Actively marketed for sale or let (Class G and Class H)

The government has been clear that its intention is not to penalise those who are genuinely trying to bring their dwelling back into use as a sole/main residence.

This exception can apply for up to 12 months from the point from which the dwelling has first been marketed for sale or let. The exception will end either when the 12-month period has ended, when the dwelling has been sold or let or when the dwelling is no longer actively marketed for sale or let. The following conditions will apply to this exception:

- the same owner may only make use of the exception for a particular dwelling marketed for sale once
- the exception may be used again for the same dwelling if it has been sold and has a new owner
- the same owner may make use of the exception for dwellings marketed for let multiple times, however, only after the dwellings has been let for a continuous period of at least 6 months since the exception last applied

There are a number of factors which councils may take into consideration when assessing whether a dwelling is being actively marketed for sale or let. These may include:

- whether the dwelling is clearly advertised for sale or let
- whether the dwelling is being marketed at a fair market value
- whether there are any artificial barriers on the dwelling preventing sale/let
- whether the dwelling has an Energy Performance Certificate (EPC) [\[footnote 3\]](#)
- whether the owner is taking any other reasonable steps to market the dwelling for sale or let

When considering whether a second or empty home is actively marketed, councils should consider these factors holistically. Whether a home may not meet one of the described factors it may still overall be considered to be actively marketed. Councils may wish to consider further factors in determining whether a dwelling is actively marketed for sale or let.

At the end of the 12-month period, councils may wish to consider the specific circumstances of the owners and whether to use their discretionary powers to extend the exception.

Major repairs (Class M)

The government appreciates in some cases a dwelling may require major repair work before it can be occupied. Where a dwelling requires or is undergoing major repairs or is undergoing structural alteration it may be excepted from the empty home premium for up to 12 months. Where major repairs are completed in less than 12 months, the exception will still apply to the dwelling for up to 6 months or until the end of the 12 months whichever is sooner.

This exception only applies on empty homes. This exception cannot apply again unless the dwelling has been sold. If the dwelling is substantially furnished and becomes a second home without a resident, then this exception will end.

Councils may wish to consider the specific circumstances of the dwelling at the end of this 12 months and whether to use their discretionary power to extend this exception in certain scenarios.

Seasonal homes (Class L)

The government recognises in some cases certain dwellings may have restrictions on them which means that the dwelling could not reasonably be occupied as a permanent residence. The government's position is that it is right that these dwellings should not be subject to a premium when these dwellings could not be used as a permanent residence.

In applying this exception, councils should consider whether there are any planning restrictions which explicitly set out that the dwelling cannot be used as a main residence. For example, where this is purpose-built holiday accommodation which can only be used as holiday accommodation.

In addition, this exception provides for dwellings which have planning restrictions whereby they cannot be occupied for at least 28 continuous days in a year. In some cases, a council may assess a dwelling with this restriction as being a person's sole or main residence. Where this is the case, the dwelling would not be liable for the premium since this cannot apply to a main residence.

Powers to identify and exclude certain dwellings

The government recognises there may be specific local issues relating to second homes and empty homes which are not covered by mandatory exceptions. Councils have discretionary powers to exclude dwellings from the premium in their area through their determination. The government encourages councils to make use of their local expertise to consider which other dwellings should not be charged a premium.

There may be cases where despite best endeavours, an owner may not have the ability to bring an empty or second home back to productive use in a reasonable time. An example of this is where occupation of a dwelling is restricted to a specific group of people and cannot be used in any other way. Where a dwelling has been actively marketed for sale or let but there are mitigating circumstances which mean the dwelling may take longer to sell or let, the council may wish to consider using their discretionary powers.

In some cases, there may be no specific planning restriction preventing dwellings from being used as a main residence but conditions around the dwelling may make it impractical to be used as a main residence. For example, where the dwelling may be located on land which cannot be accessed for significant parts of the year. Councils should consider whether any dwellings in their area could not be used for any purpose other than as a second home when making their determinations.

The scenarios set out above are not exhaustive and there may be specific local circumstances which impact the exceptions a council may apply. Ultimately councils should rely on their expertise of their local area when deciding which exceptions may apply.

Councils cannot amend their determinations in year to include further exceptions. However, councils do have powers under [section 13A of the Local Government Finance Act 1992](#) (<https://www.legislation.gov.uk/ukpga/1992/14/section/13A>) to offer a discretionary discount for households where they consider this appropriate.

3. Monitoring and appeals

As with all council tax income, income received by council tax premiums is fully retained by councils and their precepting authorities. This income is unringfenced and it is for local councils to determine how best to use the income raised to address issues within their local areas.

The government trusts council to apply premiums taking into account their local circumstances. The government encourages councils to be transparent in how they apply the premium, making the following information available for residents:

- the level of premium charged by the council
- which areas this applies to
- the number of dwellings charged the premium
- the amount which has been raised by the premium
- how funding from the premium has been used locally

If an individual believes they have been inappropriately charged a premium on their dwelling, they should in the first instance contact their council.

Councils are best placed to advise how they have determined a premium should apply in these circumstances. Additionally, they will be able to make any necessary amendments where there is evidence to show a premium should not be applied.

If the individuals have discussed the issue with their local council, but they are not satisfied with the council's response, they may be able to [appeal to the Valuation Tribunal](https://valuationtribunal.gov.uk/council-tax-appeals/) (<https://valuationtribunal.gov.uk/council-tax-appeals/>).

1. Specifically, it is for billing authorities to make a determination whether to charge a premium. Billing authorities are responsible for the billing and collection of council tax.
2. A determination will not be invalid where this has not been done.
3. A valid EPC is necessary to be able to sell or let any dwelling - [Selling a home: Energy Performance Certificates](https://www.gov.uk/selling-a-home/energy-performance-certificates) (<https://www.gov.uk/selling-a-home/energy-performance-certificates>).

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