

This report is public	
Council Tax Empty Home and Second Home Premium Policy 2026/2027	
Committee	Executive
Date of Committee	5 October 2026
Portfolio Holder presenting the report	Portfolio Holder for Finance, Councillor David Hingley
Date Portfolio Holder agreed report	9 September 2026
Report of	Assistant Director Finance (Section 151 Officer), Michael Furness

Purpose of report

To update and seek agreement on the proposed policy for applying the Council Tax empty homes premium and second home premium.

1. Recommendations

The Executive resolves:

- 1.1 To note the contents of the reviewed policy for Council Tax Empty Home and Second Home Premium Policy 2026/27.
- 1.2 To approve the Council Tax Empty Home and Second Home Premium Policy 2026/27.

2. Executive Summary

- 2.1 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.
 - 2.2 Sections 11B 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. Cherwell District Council implemented the change from two years to one year with effect from 1 April 2025.
 - 2.3 Sections 11C of the Local Government Finance Act 1992 determines a second home property as a property that is not occupied as anyone's sole or main
- Cherwell District Council

residence and substantially furnished. The section was inserted by the Levelling-up and Regeneration Act 2023 giving each local authority the power to charge a premium as soon as these conditions are met. Cherwell District Council will implement the change with effect 1 April 2027.

- 2.4 The Council recognises that there are certain circumstances in which an exception from the premium may apply, including those set out in legislation.
- 2.5 The charging of a premium is to encourage owners to bring long term empty properties and second home 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 Kimberley Digweed, Finance Business Partner 21 August 2026
Legal	The report sets out the relevant legislation that gives the Council its statutory powers in relation to applying Council Tax premiums for empty and second home properties. The proposed policy covers the statutory exceptions that Councils cannot disapply. Also, the Council includes its own exception to the premiums, which is within its discretionary powers to determine within its area. In line with government guidance, the policy provides details on how a person can request a review of a decision, and if still unsatisfied with the Council's response, may be able to appeal to the Valuation Tribunal. The Second Homes proposal was approved by full Council on 23 February 2026 and was published in a local newspaper with the 2025 - 26 Council Tax charges giving the 12-month statutory notice period, complying with the statutory requirements under Sections 11B and 11C. The Council's legal department can assist with any work required to implement and enforce the new policy. Denzil-John Turbervill, Head of Legal Services, 26 August 2026
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 19 August 2026

Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
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 characteristics, including employees and service users?		X		
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 From 1 April 2025, billing authorities may charge a premium on a class of property that has been unoccupied as someone's sole or main home but substantially furnished. For Council Tax purposes, these are known as second homes.
- 3.7 Cherwell District Council will, from 1 April 2027, automatically apply a Council Tax second home premium of 100% on unoccupied second homes.
- 3.8 The Council notified second homeowners through the Budget Consultation in November and December 2024 with the recommendation being passed at the full Council meeting on 23 February 2026.
- 3.9 The Government's intention in granting billing authorities the power to charge a council tax premium was not to penalise owners of properties that fall within recognised exception categories, or where the circumstances are such that the property is not being deliberately kept empty or unoccupied. This includes, but is not limited to, properties that are genuinely being marketed for sale or let, as well as other circumstances where statutory exceptions apply.

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 premium will be 100%.
 - Properties empty for a period of 5 to 10 years – the premium will be 200%.
 - Properties empty for a period of more than 10 years – the premium will be 300%.

- 4.2 The premium of 100% will apply to unoccupied and substantially furnished properties with effect from 1 April 2027 as follows:
- Unless the property meets one of the exceptions below, a premium will automatically apply.
- 4.3 The Council accepts that there are certain circumstances where it is reasonable to apply an exception to the Premium. The following exceptions apply to both long term empty premium properties and second home premium properties. These are as follows:
- Where the dwelling is actively marketed for sale or rent at a realistic market value with the intention of bringing the dwelling back into use as a sole/main residence.
 - Where the dwelling is or would be someone's sole or main residence if they are 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 property needs major repairs or structural alterations before it can be occupied. The applicant must be able to demonstrate major repair or structural alteration is being undertaken and may be required to provide evidence such as a schedule of works, quotations/invoices and photographs. – A surveyor's report may be requested in these circumstances including an indication of the likely time to conduct repairs. (12 months' time limit)
 - The Council has introduced its own exception which acknowledges that owners may experience legal or technical difficulties which prevents the sales 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)
- 4.4 The following exceptions will apply to second home premium properties only:
- Where the resident must occupy the property as a condition of their employment to allow better performance of employment duties and the employer provides the accommodation.
 - An exception may apply to caravan pitches and boat moorings as these types of dwellings occupied as a second property may only be subject to 50% of the standard Council Tax charges.
 - A dwelling which prohibits the occupation all year round such as holiday accommodation or where a planning condition prevents occupation for more than 28 continuous days.
- 4.5 Where the Council determines that a property meets the criteria for an exception from the Premium, the Premium will not be applied, and the owner will remain liable

only for the standard Council Tax charge at 100% of the applicable liability for the period that the exception is in force.

- 4.6 It is expected that the property will have been brought back into occupation by the end of the exception period. Where this is the case, the Premium will no longer apply.
- 4.7 Each application for an exception of the Council Tax Empty Homes Premium and Second Homes Premium must be made by completing the online application form and will be considered on its own merits and in accordance with the proposed Policy.
- 4.8 The Council will determine the period for which an exception from the Premium applies. This will be based on the evidence provided and the facts known at the time of the decision. Any maximum period for which an exception may apply is specified above.
- 4.9 The Council reserves the right to carry out routine inspections of the property during the period that an exception from the Premium applies and may review the exception to satisfy itself that the qualifying circumstances continue to exist.
- 4.10 The Council reserves the right to review and withdraw an exception from the Premium where the circumstances that gave rise to the exception no longer apply. The taxpayer must notify the Council within 21 days of any material change in circumstances. Failure to do so may result in the exception being withdrawn in full and the Premium being applied accordingly.

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 and second homes back into use and result in reduced 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 Recommended to comply with the council's objective of reducing the number of long-term empty homes and second homes.

Decision Information

Key Decision	Yes. Community threshold met.
Subject to Call in	Yes
If not, why not subject to call in	N/A
Ward(s) Affected.	All

Document Information

Appendices	
Appendix 1	Council Tax Empty Homes and Second Homes Premium Policy
Background Papers	None
Reference Papers	Appendix 1 – Empty Homes and Second Homes Premium Council Tax policy https://modgov.cherwell.gov.uk/ieDecisionDetails.aspx?ID=4175 Meeting of Council, 23 February 2026. https://modgov.cherwell.gov.uk/documents/g4193/Public%20reports%20pack%20Monday%2023-Feb-2026%2018.30%20Council.pdf?T=10
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Executive Director Approval (unless Executive Director or Statutory Officer report)	Report of Statutory Officer, Section 151 Officer