



Cherwell
DISTRICT COUNCIL
NORTH OXFORDSHIRE

Appendix 1

Council Tax Empty Homes and Second Homes Premium Policy Guidelines

Introduction

This policy sets out how Cherwell District Council ("the Council") will apply Council Tax premiums to long-term empty homes and second homes and the circumstances in which an exception may be granted.

The Council is committed to bringing empty properties back into use as part of its wider Empty Homes Strategy. Reducing the number of dwellings that are not occupied as a person's sole or main residence helps to increase housing supply, support local communities and reduce the negative impact that long-term vacant properties can have on neighbourhoods.

Since 1 April 2016, the Council has applied Council Tax premiums to long-term empty dwellings. For Council Tax purposes, a long-term empty dwelling is a property that is both unoccupied and substantially unfurnished for a continuous period of at least one year.

A Premium is an additional Council Tax charge levied under sections 11B and 11C of the Local Government Finance Act 1992.

The Levelling-up and Regeneration Act 2023 ("the Act") introduced additional powers allowing councils to charge a premium on an empty home after one year and charge a premium on a second homes. These changes were introduced to address situations where a property could avoid an empty homes premium simply by becoming substantially furnished whilst remaining unoccupied.

In accordance with these powers, Cherwell District Council will introduce a Second Homes Premium from 1 April 2027.

The Council Tax Empty Homes Premium

In accordance with the Levelling Up and Regeneration Act 2023, the premium will be applied as follows:

From 1 April 2026

- Properties empty for more than 1 year, but less than 5 years – 100%
- Properties empty for between 5 and 10 years – 200%
- Properties empty for 10 years or more – 300%

The Council Tax Second Homes Premium

For council tax purposes, a second home is defined as a dwelling, which is not a person's sole or main home and is substantially furnished.

These properties are currently subject to the full 100% council tax charge.

The Council will, from 1 April 2027, automatically apply a Council Tax Second Homes Premium of 100% on unoccupied second homes.

The Act recognises the impact that high levels of second home ownership can have, and that more needs to be done to disincentivise people from simply doing nothing with their property or not using it to its full potential.

As with other changes introduced by the Act, Section 11C(3) of the Local Government Finance Act 1992 requires that the first decision to impose this class of premium must be taken at least 12 months before the financial year to which it would apply. The Act now allows councils to apply a council tax premium of up to 100%, ensuring that the mandatory 12-month notice has been given to second homeowners.

The Council notified second homeowners through the Budget Consultation in December 2024 with it being approved at the full Council meeting on the 23 February 2026.

Exceptions to the Council Tax Empty or Second Home Premium Charge

There may be circumstances where an owner of a property is unable to bring their property back in to use for reasons outside of their control. Those owners can apply for an exception in accordance with this policy.

Applications for an exception to an Empty Homes Premium or Second Homes Premium must be submitted in writing by the owner of the property or their authorised representative.

The applicant must provide sufficient information and supporting evidence to enable the Council to determine the application. The Council may request additional

information where necessary and reserves the right to verify evidence provided and undertake inspections of the property.

Any additional information requested by the Council should normally be provided within one month of the request. Failure to do so may result in the application being determined on the information already available.

Council Tax and any applicable premium remain payable whilst an application or review is being considered.

Each application will be considered on its individual merits and in accordance with this policy.

The Council may use its discretion to suspend recovery proceedings of the council tax charge and premium with a solicitor undertaking that the charge is paid once the sale is complete. This will be limited to a maximum period of 12 months. This does not affect liability for council tax.

Empty Properties being actively marketed for sale or let

The Government has made clear that Council Tax premiums are not intended to penalise owners who are genuinely seeking to bring a property back into occupation.

The Council will therefore grant a statutory exception from the Empty Homes Premium or Second Homes Premium for up to 12 months where a dwelling is actively marketed for sale or let at a realistic market value.

The exception will apply from the date active marketing commenced and will end on the earliest of:

- the expiry of the 12-month period;
- completion of the sale;
- commencement of a tenancy; or
- the property no longer being actively marketed.

Examples of evidence include:

- confirmation from an estate or letting agent;
- online property advertisements;
- evidence that a sale or tenancy has been agreed and is progressing.

Empty Properties undergoing probate

The Council recognises that administering an estate following a death can be a lengthy and difficult process.

Following the expiry of any statutory Council Tax exemption applicable to a property subject to probate, a dwelling may become liable for an Empty Homes Premium or Second Homes Premium.

Where a property remains unoccupied following the grant of probate or letters of administration, the Council will grant an exception from the relevant premium for up to 12 months from the date probate was granted or letter of administration have been issued.

This exception applies only to the premium and does not affect liability for the standard Council Tax charge.

Where the property is subsequently placed on the market for sale or let, the owner may also apply for the active marketing exception detailed above.

Empty properties undergoing major works

The Council recognises that some long-term empty properties require significant repair work or structural alterations before they can be occupied.

Where a dwelling meets the qualifying criteria for the statutory major repairs and structural alterations exception, the Council will apply the exception for up to 12 months.

The applicant must demonstrate that major repairs or structural alterations are being undertaken and may be required to provide evidence such as:

- schedules of works;
- builder quotations, invoices or receipts;
- photographs;
- access to the property for inspection.

Where the property is subsequently marketed for sale or let, the owner may also apply for the active marketing exception subject to the relevant qualifying criteria.

Properties where legal or technical issues prevent sale or letting

The Council recognises that, in some cases, a property cannot be sold or let because of legal or technical issues beyond the owner's control.

Where satisfactory evidence is provided, the Council may use their discretionary powers to grant an exception from the premium for up to 12 months.

Evidence should normally be provided by a solicitor, surveyor or other relevant professional and should explain the nature of the issue and the anticipated timescale for resolution.

The exception applies to properties subject to either long term Empty Homes Premium or Second Home Premium.

Annexes and military accommodation

Two mandatory exceptions, which have applied to the Empty Homes Premium since 2016, also apply to the Second Homes Premium:

- A dwelling that is, or would be, the sole or main residence of a member of the armed forces who has been provided with accommodation as part of their service.
- A dwelling that forms part of a single property containing one or more other dwellings and is used by a resident of one of those dwellings as part of their sole or main residence.

Exceptions that apply to Second Homes only

Job-related dwellings, caravan pitches and boat moorings

A dwelling qualifying as a job-related dwelling under the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 is exempt from the Second Homes Premium.

A dwelling is considered *job-related* if it is provided because of a person's employment, or that of their spouse or civil partner, and one of the following applies (subject to certain exemptions):

- It is necessary for the proper performance of the person's employment duties.
- It is provided to enable better performance of employment duties, and it is customary for employers in that type of employment to provide accommodation.
- The person is contractually required to live at the property and carry on their trade or profession from that address.

The local authority is responsible for determining whether the exception applies.

Where a job-related dwelling discount applies, the property will also be exempt from the Second Homes Premium. However, this exception does not apply where a person chooses to keep an additional property closer to work while maintaining a

family home elsewhere, or where they are posted to a new location but retain their former home.

A 50% discount may also apply to caravan pitches and boat moorings that are not used as a person's sole or main residence.

Seasonal homes

A dwelling will be exempt from the Second Homes Premium where year-round occupation is prohibited, the property is specified for use as holiday accommodation, or a planning condition prevents occupation for more than 28 continuous days in any year.

For exceptions that apply to Second Homes Premiums only, the 12 month time limit does not apply.

Change in Circumstances

Applicants must notify the Council within 21 days of any material change in circumstances that may affect their entitlement to an exception. Failure to do so may result in the exception being revoked in full.

The Council reserves the right to inspect the property and review any exception granted.

Any exception granted under this policy will normally take effect from the date the Council receives the application, provided the Council is satisfied that the qualifying circumstances existed at that date. Exceptions will continue for the applicable period specified in this policy, subject to the qualifying circumstances continuing to apply.

Legislation and Statutory Guidance

The Council will have regard to any guidance issued by the Secretary of State relating to the administration of Council Tax premiums and exceptions

<https://www.gov.uk/government/publications/long-term-empty-homes-and-second-homes-council-tax-premiums-and-exceptions/guidance-on-the-implementation-of-the-council-tax-premiums-on-long-term-empty-homes-and-second-homes#exceptions-to-the-council-tax-premiums-for-long-term-empty-homes-and-second-homes>

Where there is any conflict between this policy and legislation, the provisions of the Local Government Finance Act 1992, associated regulations and statutory guidance shall prevail.

Notification

The Council will notify applicants in writing of its decision as soon as reasonably practicable and normally within 28 days of receiving all information required to determine the application.

Where an application is refused, the decision notice will explain the reasons for the decision and the review process available.

Right of Review

Any person who believes that a premium has been incorrectly applied should first contact the Council and provide any supporting evidence. A request for a review should normally be made within one calendar month of the date of the decision notice.

If the matter cannot be resolved, the taxpayer may request a review of the decision. Where appropriate, further rights of appeal may be available through the Valuation Tribunal Service.