



EMPTY HOMES CHARGING POLICY COUNCIL TAX

REVENUES & BENEFITS

PRESTON CITY COUNCIL

EMPTY HOMES CHARGING POLICY (COUNCIL TAX)

1 Introduction

- 1.1 The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts in place of statutory exemptions and also allows for the use of premiums for certain long term empty premises. The intention of Central Government is to allow Councils the flexibility in raising additional Council Tax. In addition, Government is keen to ensure that premises do not remain unoccupied or unused for extensive periods and to encourage the maximum use of all available premises within Council areas.

2 Legislation

- 2.1 The relevant legislation is as follows:

- **Section 11a Local Government Finance Act 1992** - Power to determine further discounts for certain dwellings;
- **Section 11b Local Government Finance Act 1992** - Higher amount for long-term empty dwellings: England;
- **The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012**; and
- **The Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012**
- **The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018**
- **The Levelling-up and Regeneration Act 2023**

- 2.2 In addition to the amended legislation, Central Government has provided a number of documents to assist local authorities in the implementation of these additional powers:

- Technical Reforms of Council Tax - A consultation
- Technical Reforms for Council Tax – A summary of responses;
- Council Tax Information Letter: Council Tax – Definitions of Empty Homes and Second Homes;
- Council Tax - Empty Homes Premium - Guidance – for properties for sale and letting.

3.0 The Charging Policy:

- 3.1 Council approved the following changes to Council Tax exemptions, discounts, long term empty properties and second homes with effect from 1 April 2013 by:

- (i) replacing the exemption of up to twelve months with a discount of 50% for a period up to twelve months for properties where major repairs or structural alterations are required, underway, or recently completed (Class A);
- (ii) replacing the six months exemption for empty homes with a 100% discount for two months, followed by a discount of 50% for the next four consecutive months (Class C – empty and unfurnished);

(iii) revoking the 50% discount for empty homes after six months and levy a premium of an additional 50% of Council Tax due on properties that have been empty and unfurnished for at least two years, subject to any statutory exemptions and any local discretions;

(iv) revoking the 10% discount on second homes;

3.2 Council approved further changes to the Charging Policy with effect from 1 April 2018, by:

(i) replacing the two months exemption for empty homes with a 100% discount for one month only. (Class C – empty and unfurnished);

3.3 Further changes were then introduced by Council on an incremental scale, with effect from 1 April 2019. The full details of these charges can be seen in the table below, showing how a property is affected from the date it becomes empty:

	First Year		More than 2 Years (wef 1.4.19)	More than 5 years (wef 1.4.20)	More than 10 years (wef 1.4.21)
	Month 1	Months 2-12			
Empty properties – uninhabitable due to major repairs and alterations (Class A)	50% Discount ←————→		200% Charge ←————→	300% Charge ←————→	400% Charge ←————→
New properties and empty & unfurnished (Class C)	100% Discount	100% Charge ←————→	200% Charge ←————→	300% Charge ←————→	400% Charge ←————→
Unoccupied and furnished including second homes	100% Charge ←————→				

3.4 Further changes were then introduced by Council on an incremental scale, with effect from 1 April 2024 for empty properties and 1 April 2025 for unoccupied and furnished including second homes. The full details of these charges can be seen in the table below, showing how a property is affected from the date it becomes empty:

	First Year		More than 1 Year (wef 1.4.24)	More than 5 years (wef 1.4.20)	More than 10 years (wef 1.4.21)
	Month 1	Months 2-12			
Empty properties – uninhabitable due to major repairs and alterations (Class A)	50% Discount ←→		200% Charge ←→	300% Charge ←→	400% Charge ←→
New properties and empty & unfurnished (Class C)	100% Discount	100% Charge ←→	200% Charge ←→	300% Charge ←→	400% Charge ←→
Unoccupied and furnished including second homes	200% charge wef 1.4.25 (100% charge to 31.3.25) ←→				

4 Background Information

4.1 Empty dwelling, requiring or undergoing structural alterations or major repair works to make it habitable

4.1.1 The requirement is that the dwelling is vacant and:

- requires or is undergoing major repair work to render it habitable, or
- is undergoing structural alteration; or
- has undergone major repair work to render it habitable, if less than six months have elapsed since the date on which the alteration was substantially completed and the dwelling has continuously remained vacant since that date;

4.2 Empty Dwellings

4.2.1 An empty dwelling is one which is unoccupied and substantially unfurnished

4.2.2 A discount or exemption applies from the date the property became empty and not from the date the liable person becomes responsible for the property.

For example, in the case of new, empty and unfurnished properties:

- The property became empty on 1 January
- The property was sold 15 June

The liable persons would be entitled to:

- a 100% discount from 1 January to 1 February
- a full 100% charge from the 1 February

An additional Premium of 100% would be incurred one year after 1 January if the property remains empty, subject to locally determined exceptions.

4.2.3 In considering whether a dwelling has been vacant for any period, any period of occupation not exceeding six weeks, shall be disregarded.

4.2.4 Newly built dwellings fall to be considered in this category should they remain empty after the specified completion date. In these circumstances the discount will apply from the completion date as specified in the completion notice issued by the billing authority.

4.3 Empty Homes Premium – Long Term empty dwellings

4.3.1 A long term empty dwelling is one that has been vacant in excess of one year and as such is liable to an Empty Homes Premium in addition to the 100% charge already levied in respect of empty premises, subject to statutory exemptions and locally determined exceptions (**See Appendix A**).

4.3.2 Effective from:

- **Pre 1 April 2019**
A 50% premium is levied on properties that have been empty and unfurnished for at least two years, subject to statutory exemptions and locally determined exceptions.
- **From 1 April 2019 to 31 March 2024**
A 100% premium is levied on properties that have been empty and unfurnished for at least two years, subject to statutory exemptions and locally determined exceptions.
- **From 1 April 2020**
A 200% premium is levied on properties that have been empty and unfurnished for at least five years, subject to statutory exemptions and locally determined exceptions.
- **From 1 April 2021**
A 300% premium is levied on properties that have been empty and unfurnished for at least ten years, subject to statutory exemptions and locally determined exceptions.
- **From 1 April 2024**
A 100% premium is levied on properties that have been empty and unfurnished for at least one year, subject to statutory exemptions and locally determined exceptions.
- **From 1 April 2025**
A 100% premium is levied on second homes, subject to statutory exemptions and locally determined exceptions.

4.3.3 The policy aim is to encourage owners to bring empty properties back into use quicker, at a time when there is an overall housing shortage and social housing waiting lists. The Government considers that long-term empty properties attract squatters, vandalism and anti-social behaviour, and are a blight on the community.

4.3.4 Liability for the Empty Homes Premium is determined by the length of time that the property has been empty. An individual who purchases a property, which has already been empty for one year, may be required to pay the premium as soon as they take ownership, subject to statutory exemptions and local exceptions. A period of occupation of over six weeks qualifies as a break in the empty period, 'resetting the clock' for the purposes of the Empty Homes Premium.

4.3.5 **Statutory Exceptions** - Six classes of property are exempt by statute from the Long-Term Empty Homes Premium as detailed below:

- A dwelling which is or would be someone's sole or main residence if they were not residing in job related armed forces accommodation. (Class E)
- Annexes forming part of, or being treated as part of, the main dwelling. (Class F)
- Dwellings being actively marketed for sale (12 months limit). (Class G)
- Dwellings being actively marketed for let (12 months limit). (Class H)
- 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 I)
- Empty properties requiring or undergoing major repairs or structural alterations (12 months limit). (Class M)

Eight Classes of property are exempt by statute from the Second Homes Premium as detailed below:

- A dwelling which is or would be someone's sole or main residence if they were not residing in job related armed forces accommodation. (Class E)
- Annexes forming part of, or being treated as part of, the main dwelling. (Class F)
- Dwellings being actively marketed for sale (12 months limit). (Class G)
- Dwellings being actively marketed for let (12 months limit). (Class H)
- 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 I)
- Job-related dwellings. (Class J)
- Occupied caravan pitches and boat moorings. (Class K)
- 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 L).

4.3.6 **Local Exceptions** – originally introduced from 1 April 2017 (see para 5.4 – Local Exceptions), authority is delegated to the Head of Shared Service to use discretion, based upon on the individual merits of each case, not to charge the additional Premium. **(See Appendix A for details)**

4.3.7 In deciding whether to use discretion, consideration should be given to legislation and government guidance together with relevant caselaw arising from the legislation, in particular *K v Wolverhampton City Council*, *F v Wychavon District Council*, *J v. South Staffordshire Council*.

4.3.8 All requests for discretion should be made in writing, enclosing documentary evidence, addressed to:

Revenues Services
PO Box 30
Town Hall
Preston

Last Revised: January 2025

PR1 2GD

Or email direct to: CTax@preston.gov.uk

4.4 **Second Homes**

4.4.1 Defined as a dwelling, which is no one's sole or main residence but which is furnished.

4.4.2 The charge applies to all cases except where the legislation determines otherwise and in those cases (as follows) a charge of 50% **may** apply (rather than the 100%):

- Dwellings which are furnished but unoccupied because the owner is liable to a Council Tax elsewhere in job-related accommodation;
- Empty but furnished dwellings of service personnel resident in accommodation provided by the Ministry of Defence;
- If the dwelling is a caravan or houseboat; or
- Where members of the clergy are required to live in accommodation provided by their employer to perform the duties of their office.

From 1st April 2025 a premium charge of 100% will be applied to second homes, except those where the legislation determines otherwise.



Council Tax Premiums – Policy Guidelines for Determining Local Exceptions

1. Purpose

This document sets out the factors that Preston City Council (The Council) will take into account when deciding if an exception to payment of the Council Tax Premiums can be granted.

The Council Tax Empty Homes Premium is a 100% increase on the Council Tax set, making the total charge 200% on properties which have been unoccupied and unfurnished for a period of at least one year. After five years the premium increases to 200%, making a total charge of 300%. After 10 years the premium increases to 300%, making a total charge of 400%.

From 1st April 2025 the Council will charge a 100% premium on properties that are unoccupied and furnished, including second homes.

Each case will be treated strictly on its merits and all applicants will be treated equally and fairly through administration of the scheme.

2. Mandatory Exceptions to Council Tax Premiums

The Secretary of State has powers under section 11B(2)-(3) and 11D(1)-(2) of the Local Government Finance Act 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](#) prescribe nine exceptions effective from 1st November 2024, as set out below.

Classes of Dwellings	Application	Definition
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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
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Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of, the main dwelling
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Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale (12 months limit)
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Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit)
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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)
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Class J	Second homes only	Job-related dwellings
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Class K	Second homes only	Occupied caravan pitches and boat moorings.
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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
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Class M	Long-term empty home only	Empty properties requiring or undergoing major repairs or structural alterations (12 months limit)
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Guidance for the exceptions is available at: [Long-term empty homes and second homes: Council tax premiums and exceptions - GOV.UK](#)

3. Statement of objectives

The Council will consider waiving the Council Tax Premium for applicants who meet the qualifying criteria as specified in these guidelines. The Council will treat all applications on their individual merits, and will seek through the operation of these guidelines to grant exceptions to liability for the Council Tax Premium:

- For those owners who are genuinely attempting to sell or let their vacant property.
- Those owners who are experiencing particular legal or technical issues which is preventing the sale or letting of the property
- Those owners who are in negotiation with the Council with a genuine view to letting the property under the Council's scheme(s).
- Cases where the dwelling has remained empty beyond a one-year period due to exceptional and /or unforeseen circumstances and / or any other circumstances, proven to be beyond the control of the owner/liable person.
- Cases where imposition of the Council Tax Premium would result in hardship and a reasonable person would regard the imposition as unfair.

4. Claiming a Local Exception to the Council Tax Premium

A claim must be made on an application form provided by the Council and signed by the owner of the property or their representative. The claimant must include any relevant supporting evidence.

A Council Officer may make an appointment to visit any applicant who for whatever reason is unable to complete the application form or to confirm the details provided which may necessitate being given access to the premises.

The Council may request any (reasonable) evidence in support of an application, but the applicant will be asked to provide the evidence within one month of such a request although this will be extended in appropriate circumstances.

The Council reserves the right to verify any information or evidence provided by the Applicant, with third parties where appropriate.

Payment of Council Tax including the premium may not be withheld whilst awaiting the outcome of an application or the review of a previous decision.

5. Period of Exception

In all cases, the Council will decide the length of time for which an exception will be awarded on the basis of the evidence supplied and the facts known.

The start date of an exception is normally the date the application is received by the Council, providing it is satisfied the reasons for the exception existed at that time and the exception will continue for a period of twelve months subject to those circumstances continuing. For dwellings being actively marketed for sale or let, the 12 months limit will apply from the date that they were actively marketed.

The Council will review the award and request confirmation that the circumstances leading to the award of the exception remain applicable. The Council reserves the right to make routine inspections of the property at any point during the period of the exception.

The Council will comply with any Regulations issued by the Secretary of State in relation to any application and have regard to any related national policy guidance.

6. Awarding an Exception to liability for the Council Tax Premium

6.1 For those owners who are genuinely attempting to sell or let their property which has been vacant, a 12-month exception to both the empty and second home premiums applies to properties that are actively marketed for sale or let. The exception will run from when the exception first applies until the end of the exception period or until the property is no longer actively marketed, sold, or let (whichever is sooner).

In deciding whether to award an exception to payment of the Council Tax Premium, the Council will take into account the following criteria:

- Has professional advice and assistance been obtained?

- A professional agent with specialist knowledge of the locality must have been engaged.
- Have any offers to purchase or rent the property been received?
- If Yes – why were those offers refused?
- Written confirmation of the reasons for refusal will be required from a professional agent
- Is the sale price or rental in line with recent sale or rental prices for similar properties in the locality?
- If no, does this property have special features that reasonably warrants a higher value or rent?
- Has the property been put up for sale by public auction?

6.2 For those owners who are experiencing particular legal or technical issues which is preventing the sale or letting of the property

- Is there a legal difficulty or issue which is preventing the sale or letting of the property?
- A Solicitor's or Legal Conveyancer's letter should be produced in evidence detailing the reasons preventing sale or letting.
- Is a sale or letting being delayed by the actions of a Public Body?
- Full details must be provided

6.3 Those owners who are in negotiation with the Council with a genuine view to letting the property under the Council's Management Scheme(s)

- Has there been a genuine expression of interest in transferring management of a property to the Council with a view to letting the property to local people with housing needs?
- The Council's Empty Homes Officer will be asked to confirm details of the expression.
- The exception would only be applied from the date of signing the approval notice.

6.4 Cases where the dwelling has remained empty beyond a one-year period due to exceptional and /or unforeseen circumstances and / or occasionally any other circumstances, proven to be beyond the control of the owner/liable person.

- Are the circumstances exceptional or unforeseen?
- Decision to be based on evidence, considered on the merits of each individual case.

This exception may apply after a one-year period, effective from 1 April 2024.

6.5 Properties undergoing probate

- Inherited properties will have a 12-month exception from the empty and second home premiums after probate or letters of administration have been granted. The property will be liable for the standard rate of council tax once the class F exemption has ended; but a premium cannot be levied for a 12-month period. The Council has the discretion to award a longer period of exception based on the merits of individual cases.

6.6 Cases where imposition of the Council Tax Premium would result in hardship and a reasonable person would regard the imposition as unfair.

- Will imposition of the Council Tax Premium result in the owner suffering hardship?
- Granting an exception under this criterion is likely to be the exception rather than the rule as it is expected the majority of exceptions will have been granted under earlier criteria.

6.7 Exceptions to the empty homes premium only:

Empty properties undergoing major repairs: Properties undergoing major repairs or structural alternations will have a 12-month exception from the empty homes premium.

6.8 Exceptions to the second homes premium only:

- **Job related dwellings:** An exception to the second homes premium for job-related dwellings will apply. This exception will not apply to cases where someone chooses to have an additional property to be closer to work while having a family home elsewhere or where an individual is posted to a new location but maintains their previous address.
- **Occupied caravan pitches and boat moorings:** A pitch occupied by a caravan and a mooring occupied by a boat are an exception to the second homes premium.
- **Seasonal homes where year-round or permanent occupation is prohibited or has been specified use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously:** Where properties have planning restrictions or other conditions on occupation or use in place which prevent year-round occupation, such properties are an exception to the second homes premium.

7. Changes of Circumstances

Last Revised: January 2025

The Council may need to revise the decision to grant an exception to the Premium if it becomes aware that the circumstances of an applicant have materially changed. Individuals must immediately advise the Council of any change in circumstances affecting the decision within 21 days of the change. Failure to do so may result in the exception being revoked in full.

8. Notification

The Council will inform the applicant in writing of the outcome of their application within 28 days of receipt, or as soon as possible after. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review.

9. The right to seek a review

As the local exceptions to the Premium in this policy are determined locally any decisions are not subject to a statutory appeals mechanism. The Council will therefore operate its own procedures for dealing with appeals against a refusal to award an exception to the Premium.

Decisions will be determined at management level by the Revenues Manager.

An applicant (or their appointee or agent) who disagrees with a decision not to award an exception may dispute the decision. A request for a review must be made in writing to the Head of Shared Service, Revenues and Benefits within one calendar month of the written decision being issued.

The Head of Shared Service, Revenues and Benefits will review all the evidence held and may ask for further clarification to be provided. A decision will be made within 28 days of the request for a review. The decision will be notified to the claimant in writing, setting out the reasons for the decision.

For the mandatory exceptions (classes E-M) there is a right to appeal to the Valuation Tribunal.

To be read in conjunction with the Empty Homes Charging Policy.

PCC Council Decisions – 20 April 2017 ,13 December 2018 and January 2024.