

## **Annex A – Council Tax Premium Exemptions Policy (Long-Term Empties and/or Second Homes)**

### **1. Introduction**

- 1.1 The council will automatically apply a long-term empty homes council Tax premium at the following rates:
  - 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%
- 1.2 The council will, from 1 April 2025, automatically apply a council tax second homes premium of 100% on unoccupied second homes.
- 1.3 This policy considers the latest proposed guidance from the Local Taxation Division of the Department for Levelling Up, Housing and Communities. (Council Tax information letter 2/2024, published 11 March 2024).
- 1.4 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 exemption in accordance with this policy.
- 1.5 An application for an exemption must be made in writing, with the appropriate evidence and information for the council to consider an exemption.

### **2. Empty Properties undergoing probate**

- 2.1 The council recognises that the period after someone passes away is particularly challenging for their relatives and friends, especially for those managing the estate.
- 2.2 Unoccupied properties which have become vacant due to the death of the owner or tenant and where no one is liable for council tax except an executor or administrator, are exempt from council tax until probate is granted. Following a grant of probate (or the issue of letter of administration) a further period of exemption of up to 6 months is possible (Class F exemption), as long as the property remains unoccupied and has not been sold or transferred to someone else.
- 2.3 If the property remains unoccupied following the end of the Class F exemption period, normal rules on the application of council tax to empty properties apply. This means that where a property has been unoccupied and substantially unfurnished for at least one year, it may become liable for the long-term empty home council tax premium immediately. The liability for the empty home premium is determined by the length of time that the property has been empty. Depending on the circumstances, this one-year period could start prior to the passing of the previous owner.

- 2.4 Alternatively, if such a property has been unoccupied since the passing of the previous owner and is substantially furnished, it could become liable for the council tax second home premium immediately after the Class F exemption period has ended.
- 2.5 The council recognises that it may take some time to determine the future use of a property that has been left unoccupied or has no resident following the death of its owner or tenant. The council does not consider it appropriate that such properties should become subject to either second homes or long-term empty property premiums immediately following the grant of probate.
- 2.6 The council will therefore consider an application requesting the granting of an exemption to both the second home and empty home premium for a maximum of 12 months from the date probate has been granted. This does not affect the Class F exemption or the ability for the council to charge the normal rate of council tax following the expiry of the Class F exemption.
- 2.7 In most circumstances the property is brought back in to use or has a new owner within the Class F exemption period. However, if there are reasons why the own has been unable to do this, they will be able to apply for an exemption from the premium of up to a maximum of 12 months from the date probate was granted.
- 2.8 If the property is then put on the market for sale or let, the owner of the property would be able to apply for the 'sales or let' exemption (see below). This would provide the owner an additional 12-month exemption period. As such, where both exemption are granted, the maximum exemption period would be up to 24 months.

### **3. Empty Properties being actively marketed for sale or let**

- 3.1 The governments published guidance is clear that the decision to provide local 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.
- 3.2 The Council will therefore grant an exemption to council tax premiums of up to a maximum of 12 months from the date that active marketing commenced, or until the property has been sold or rented, whichever is the sooner.
- 3.3 In order to qualify for an exemption to the premiums, the owner (of either a long-term empty home, or a second home) will be expected to demonstrate they are actively marketing the property for sale or let at a reasonable price on the open market. Examples of evidence to be provided is:
  - Evidence that the property is being actively marketed by an agent
  - Evidence that the property is being actively marketed by a sale or letting website.

- Evidence that the property has recently been sole subject to contract or rented out subject to tenancy agreement but is still vacant because the sale or rental agreement is taking time to complete because it is part of a chain.

3.4 The maximum period of 12 months exemption will be considered once the evidence has been provided. The exemption will be available only once to the same owner of a property. The exemption may apply again if the property has new owners, and they begin the process of marketing for sale or rent.

#### **4. New owners of empty properties undergoing major works**

4.1 Homes that have remained empty for extended periods may require extensive repair work. In situation where a new owner of an empty property is undertaking major work or structural alterations to make it habitable, the council will not charge a premium as soon as the property has been empty for one year as this could be a disincentive for a potential purchaser.

4.2 The council will therefore grant an exemption for up to 12 months from the date major repair works and/or structural work has been completed, whichever is the sooner. The exemption could be applied at any time after the property has been purchased and empty for at least 12 months, as long as the council is satisfied that the necessary repaired work is being undertaken. This could mean, for example, that a premium is applied once a property has been empty for more than 12 months but will be removed if and when the council is satisfied that the conditions for the exemption are met. Examples of evidence to be provided is:

- Schedule of works
- Builders estimates and receipts
- Photographs of property before and during work
- Access to visit the property if required

4.2 New owners using this exemption could also potentially benefit from the proposed exemption for properties being actively marketed for sale or rent, as detailed in section 2 of this annex. As long as the criteria for both exemptions are met, then a potential exemption of up to 24 months may be available in circumstances where a new owner has carried out major repaired works and then is carrying out active marketing of the property for sale or rent.

#### **5. Second home job-related dwellings**

5.1 Currently, there is a council tax discount of up to 50% for properties which are not occupied because the owner is required to live elsewhere for employment purposes.

5.2 In order to be considered as residing in a job-related accommodation, a job-related dwelling is prescribed as job-related if it is provided by reason of a person's employment or for the person's spouse or civil partner by reason of their employment including in any of the following cases (subject to some exemptions):

- a) Where it is necessary for the proper performance of the duties of the employment.

- b) Where the dwelling is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide dwellings for employees.
- c) Where it is contractually obligated to be resident at that property and to carry on a trade or profession at the address.

5.3 It is for the local authority in the first instance, to determine the application of the job-related discount.

5.4 Where a job-related dwelling discount is in place, the council will also treat as an exemption to the second homes premium. The exemption will not apply to cases where someone chooses to have an additional property to be closer to work whilst having a family home elsewhere or where an individual is posted to a new location but maintain their previous address.

## **6. Seasonal homes where year-round or permanent occupation is prohibited or has been specified use**

6.1 The council recognises that there are at times legal, technical and/or planning restrictions that prevents an owner from occupying a property for the full 12 months of a year.

6.2 Where properties have planning restrictions or other conditions on occupation or use in place which prevent year-round occupation, the council will exempt these from the second home premium.

## **7 Changes of circumstance**

7.1 The council may need to revise the decision to grant an exemption to the premiums if it becomes aware that the applicant's circumstances have materially changed. Individuals must 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 exemption being revoked in full.

## **8. Notification**

8.1 The council will inform the applicant in writing of the outcome of their application within 28 days of receipt, or as soon as practicable thereafter. Where the application is unsuccessful, the council will set out the reason the decision was made and explain the right of review..

## **9. The right to seek a review**

9.1 As the exemptions to the premiums is currently determined locally, any decisions are not subject to a statutory appeals mechanism. Decisions will be determined at management level within the Revenues Service.

- 9.2 An application (or their appointee or agent) who disagrees with a decision not to award an exemption may dispute the decision. A request for a review must be made in writing to the revenues manager within one calendar month of the written decision being issued.
- 9.3 The revenues manager 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 or as soon as practicable thereafter. The decision will be notified to the claimant in writing, setting out the reasons for the decision.
- 9.4 There is no further right of appeal following the review, and a refusal will not be considered as a complaint under the Council's Complaint policy.

## **10. Fraud**

- 10.1 The council is committed to the fight against fraud in all its forms. An applicant (or their appointee or agent) who tries to fraudulently claim an exemption from the council tax premiums by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed a criminal offence. Where fraud is suspected, the council will investigate, and this may lead to criminal proceedings.
- 10.2 The council reserve the right to remove the exemption and seek recovery of the premium even in cases where the property is no longer owned.

