

REPORT TO:		Council	
DATE:		27 March 2025	
PORTFOLIO:		Cllr Vanessa Alexander – Resources and Council Operations	
REPORT AUTHOR:		Lee Middlehurst – Head of Benefits, Revenues and Customer Contact	
TITLE OF REPORT:		Council Tax Empty Property Liability Policy	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. **Purpose of Report**

- 1.1 The Report seeks to further the Council's strategy to improve its housing stock and the regeneration of Hyndburn by adopting new government provisions for exceptions to premium rates of Council Tax for properties that are left vacant for over one year.
- 1.2 The Report also seeks to improve the Borough's housing stock and the regeneration of Hyndburn by adopting new Government provisions on premium rates of Council Tax for properties classed as second homes.

2. **Recommendations**

- 2.1 That the revised Council Tax Empty Property Liability Policy attached to this report is approved and the exceptions to council tax premiums, and, premium for property classed as a second home, are revised as set out in paragraphs 3.6 to 3.10 of this report in accordance with the provisions in:
 - The Local Government Finance Act 1992,
 - The Local Government Finance Act 2012,
 - The Rating (Property in Common Occupation) and Council Tax (Empty Dwelling) Act 2018,
 - The Levelling Up and Regeneration Act 2023,
 - The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024

3. Reasons for Recommendations and Background

- 3.1 Since 2013, councils 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.
- 3.2 The Council welcomed and acted upon the Government's initial introduction of a premium on Council Tax in 2013 for long term empty properties as a means of encouraging their occupation together with the incremental changes in council tax premiums effective from April 2019, and, also from April 2024. While the initial Government legislation that took effect in 2013, and subsequent legislation in 2019 has helped reduce the number of empty properties, there are still over 700 empty properties that remain in Hyndburn that cause damage to our housing market and neighbourhoods.
- 3.3 Since 2013, the number of properties in the Borough classified as empty and unfurnished for Council Tax purposes on 1st April each year has reduced as outlined in Table 1 below. It should be noted that these figures represent those dwellings subject to former Class C empty and unfurnished discounts, not all empty dwellings in the Borough. Other empty properties include those undergoing major repairs and those subject to other exemptions.

Table 1 – Council Tax Empty Properties from 2012/2013 to 2024/2025

Financial Year	0-6 months	6-24 months	24+ months	Total
2012/2013	746	1275	Data not recorded	2021
2013/2014	593	751	593	1937
2014/2015	596	609	368	1573
2015/2016	576	523	357	1456
2016/2017	585	399	278	1262
2017/2018	437	553	252	1242
2018/2019	432	486	276	1194
2019/2020	489	442	243	1174
2020/2021	459	458	207	1124
2021/2022	193	364	193	750
2022/2023	258	372	166	796
2023/2024	225	411	166	802
2024/2025	207	242	256*	705
*Properties subject to council tax premium from 01 April 2024				

- 3.4 The measures introduced to incentivise re-occupation or sale of empty property have been combined with other regeneration efforts, the work of the Council's empty properties officer and work to survey and monitor empty properties each year since 2013.
- 3.5 Overall, the implementation of the Council Tax premium on empty properties can be said to have had a positive impact on the number of empty dwellings in the Borough, has supported our regeneration efforts and helped to increase the Council's New Homes Bonus allocations.

New Legislation

- 3.6 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.
- 3.7 From April 2025, the Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 amends section 11B and 11D of the Local Government Finance Act 1992 and prescribes the classes of dwelling which may not be made subject to a council tax premium.
- 3.8 The new legislation provides that the exceptions to council tax premiums as shown in Table 2, with further detail provided in Council Tax Empty Property Liability policy. These exceptions only exclude these dwellings from premiums, these do not affect the standard rate of council tax they may be liable for:

Table 2 - Exceptions to Council Tax Premium from April 2025

Class of dwelling	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
Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale (12 month limit)
Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 month limit)
Class I	Long-term empty homes and second homes	Unoccupied dwellings which fall within exempt Class F and where probate has been recently 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 a 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 homes only	Empty dwellings requiring or undergoing major repairs or structural alterations (12 month

limit)

3.09 Table 3 – Second Home Charges from April 2025

Duration	Amount
Second Home	100% of normal liability

The Levelling Up and Regeneration Act 2023 inserts section 11C of the Local Government Finance Act 1992 and grants authorities the discretion to apply higher amounts for properties that are occupied periodically (Second Homes).

3.10 Table 4 – Second Home Charges from April 2026

Duration	Amount
Second Home	200% of normal liability

3.11 Currently there are 20 properties which are classed as second homes, and if they classed as such at April 2026 they will be subject to a 200% Council Tax liability in 2026 if these measures are introduced.

3.12 In relation to the changes for second homes, a billing authority must allow at least one year before the beginning of the financial year to which it relates. As such the first financial year for which the premium can be applied to property classed as a second home is effective from 01 April 2026.

Implementation

3.13 Should these measures be implemented, the Council may publish its intentions in at least one local newspaper at least 21 days prior to implementation.

3.14 In addition, it is the service's intention to write to all owners of empty properties, and, second homes to inform them of the increased premiums and the timescale for implementation, allowing them the opportunity to sell or occupy any empty properties they may have prior to any further premiums being applied.

3.15 The Council will review the administration of this policy in accordance with any guidance, as issued, by the Secretary of State

4. Alternative Options considered and Reasons for Rejection

4.1 Alternative premium levels

Having considered the positive contribution that the existing premium has made towards

bringing empty properties back in to use, this report recommends that the new exception

structure is applied in full. Provisions remain within existing policy and legislation to remit Council Tax liabilities in exceptional circumstances.

5. Consultations

- 5.1 The government recognises that second homes and empty homes can have impacts in some communities, particularly where a significant proportion of properties are not occupied all year round. Large numbers of empty homes can contribute to housing supply pressures, whilst also reducing the desirability of local areas.
- 5.2 To combat this, the Levelling Up and Regeneration Act contains measures to strengthen the existing empty homes premium so that dwellings unoccupied and substantially unfurnished for one year, rather than two, are liable for the empty homes premium from April 2024 where the billing authority has decided to apply the premium in its area.
- 5.3 To ensure that the measures are effective, the government published a consultation on 6 July 2023 seeking views on circumstances where it may not be appropriate for these premiums to apply. The consultation closed on 31 August 2023 and received 615 responses from a range of stakeholders including members of the public, owners of second homes, landlords, local authorities, organisations specialising in housing and holiday homes, councillors, Members of Parliament, and other bodies. Overall, there was broad support for the exceptions proposed in the consultation document.
- 5.4 The government legislated to bring the exceptions into effect for 2025-26 financial year.

6. Implications

Financial implications (including any future financial commitments for the Council)	<p>The implementation of exceptions Council Tax premiums is intended to follow Government acknowledgement that there may be instances where it may be inappropriate for the council tax premiums to apply.</p> <p>The premiums will affect the Council's net collectible debit for Council Tax and the proportionately large amounts have potential to affect the collection rates we are working towards. However the majority of taxpayers subject to current premiums are making their payments and the amount</p>
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	collected from Council Tax is likely to increase as a result.
Legal and human rights implications	<p>The administration of Council Tax is done within legislative frameworks and guidance. Any and all legal and human rights implications have been considered and balanced against the rights of the individual and the obligations placed on the authority for the collection of local taxes. The protection of vulnerable groups and individuals has been considered extensively as have the rights of our residents and customers.</p> <p>Legal implications and human rights have been considered at each stage and the policy intentions within this report are considered proportionate and justifiable when balanced against the rights of the Individual.</p>
Assessment of risk	<p>Analysis to date demonstrates that the current premium structure has had a positive impact on the number of empty dwellings in the Borough and the intention of this policy is to further reduce these figures bringing positive impacts to areas blighted by empty properties. Not implementing exceptions to premiums increases the risk to neighbourhoods with empty properties.</p>
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	<p>The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report Cabinet must have regard to the need to:</p> <ul style="list-style-type: none"> • eliminate unlawful discrimination, harassment and victimisation; and • advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and • foster good relations between those who share a relevant protected

	<p>characteristic and those who don't.</p> <p>For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To assist the Cabinet in this regard a Customer First Analysis has been carried out and is presented with this report. Cabinet is advised to consider the Customer First Analysis and associated obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report.</p>
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**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

- 7.1 Technical Reforms of Council Tax – Empty Dwellings and Second Homes, Cabinet report, January 2013. **Available from Member Services on request.**
- 7.2 Council Tax Empty Property Liability – Cabinet report, February 2019. **Available from Member Services on request**
- 7.3 Council Tax Empty Property Liability – Cabinet report, February 2024. **Available from Member Services on request**
- 7.4 Summary of responses to Government consultation of proposed exceptions to council tax premiums - <https://www.gov.uk/government/consultations/proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums/outcome/3310269d-d160-47b2-966c-73bd66640bc0>
- 7.5 Guidance on the implementation of council tax premiums on long term empty homes and second homes - <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>

If the report is public, insert the following paragraph. If the report is exempt, contact Member Services for advice.

8. Freedom of Information

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

Appendices

1. Council Tax Empty Property Liability policy
2. Council Tax Empty Premium Reduction Application form
3. Council Tax 'Major repairs' Application form
4. Customer First Analysis