



# **Council Tax Discounts and Premiums Policy 2024-25**

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## 1. Introduction and background

- 1.1 The following policy outlines the Council's approach to discretionary Council Tax discounts and the levying of premiums on empty homes with effect from 1 April 2024.
- 1.2 A large part of the Council Tax legislation is mandatory on all billing authorities within England. Discounts (such as Single Person Discounts), Disregards and Exemptions are set by statute with no discretion allowed. However, there are a number of areas where each Council may determine, the type and levels of charge to be made.
- 1.3 The main discretionary areas are as follows:
- (a) Second homes (premises which are no-one's sole or main residence but are furnished);
  - (b) Unoccupied and substantially unfurnished premises;
  - (c) Unoccupied and substantially unfurnished premises which require or are undergoing structural repairs; and
  - (d) Premiums where premises have been unoccupied and substantially unfurnished for a period exceeding 2 years.
- 1.4 When determining its policy, each billing authority has to decide the level of charge (or discount) by the 31 March prior to the financial year in which it wants to introduce the changes.
- 1.5 The following policy outlines the determination made by the Council for the financial year 1 April 2024 in accordance with Sections 11A, 11B and 11C of the Local Government Finance Act 1992.

### Second Homes

- 1.6 The legislation broadly divides second homes (premises which are no-one's sole or main residence but are furnished) as follows:
- Second Homes – No one's sole or main residence/furnished - 28-day planning restriction<sup>1</sup> - (Class A)
  - Second Homes - No one's sole or main residence /Furnished - No planning restriction<sup>2</sup> (Class B)
- 1.7 The legislation allows that a discount of between 0% and 100% can be granted in such cases.

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<sup>1</sup> restricted by a planning condition preventing occupancy for a continuous period of at least 28 days

<sup>2</sup> the occupation of which is **not** restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year

## **Unoccupied and substantially unfurnished premises**

- 1.8 Two classes of potential discount apply to premises which fall into the following category namely:
- Unoccupied / substantially unfurnished (Class C); and
  - Unoccupied / substantially unfurnished where structural repairs are required - this discount has a maximum period of 12 months (Class D).
- 1.9 In both of the above cases, a discount of up to 100% can be granted. Until the legislation changed in 2013<sup>3</sup>, mandatory exemptions would have been granted in place of Class C and Class D discounts giving a period of no charge for 6 months and 12 months respectively.

## **Premiums**

- 1.10 Premiums were introduced by Government in 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term. Initially premiums could only be charged at 50%. In 2018 the legislation changed and the Rating of Property in Common Occupation and Council Tax (Empty Dwellings) Act allows a progressive charge to be made as follows:
- Dwellings left unoccupied and substantially unfurnished for 2 years or more, up to 100%;
  - Dwellings left unoccupied and substantially unfurnished for 5 years or more up to 200%; and
  - Dwellings left unoccupied and substantially unfurnished for 10 years or more, up to 300%.
- 1.11 Certain classes of dwellings cannot be charged a premium namely:
- a dwelling which would be the sole or main residence of a person but which is empty while that person resides in accommodation provided by the Ministry of Defence by reason of their employment i.e., service personnel posted away from home<sup>4</sup>; or
  - dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property<sup>5</sup>.
- 1.12 Recent changes in legislation allow, should the Council wish, premiums for empty premises to be charged after one year and for the charging of premiums on second homes<sup>6</sup>.
- 1.13 It should be noted that premiums are charged in addition to the 100% Council Tax payable on empty premises.

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<sup>3</sup> Under the Council Tax (Prescribed Classes of Dwelling)(England) Regulations 2003 and amended by the Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes C & D

<sup>4</sup> Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes E

<sup>5</sup> Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes F

<sup>6</sup> Regeneration and Levelling Up Act 2023.

## 2. The Council's policy from 1 April 2024

2.1 The Council has resolved to implement the following with effect from 1 April 2024

Changes with effect from 1 <sup>st</sup> April 2024	Buckinghamshire Council
Second Homes Not sole or main residence/furnished. 28-day planning restriction <sup>7</sup> (Class A)	0% discount
Second Homes Not sole or main residence /furnished. No planning restriction <sup>8</sup> (Class B)	0% discount
Class C Unoccupied / substantially unfurnished	0% discount
Class D structural repairs (Unoccupied & substantially unfurnished) Maximum 12 months	0% discount
Premium Empty 2yr < 5yr	100%
Premium Empty 5yr < 10yr	200%
Premium Empty 10yr or more	300%

## 3. Exceptions from the premiums

3.1 Government has stated that with effect from April 2025, a number of possible categories of dwellings will be exempted from the Council Tax premiums. Regulations are expected to cover the exceptions for both empty homes premium, and also the second homes premiums.

3.2 **The Council has included the proposed exceptions below however; it should be noted that these WILL NOT BE EFFECTIVE UNTIL 1 APRIL 2025 AND MAY CHANGE when the new regulations are commenced.**

3.3 The consultation proposes that there will be circumstances where premiums will either not apply or be deferred for a defined period of time. These are as follows:

- **Properties undergoing probate** - the government proposes that these properties should be exceptions to both the second homes and empty homes premiums for a **maximum of 12 months**. The exception would start once probate or letters of administration is granted. This will not affect the Class F Council Tax exemption (unoccupied dwellings in cases where

<sup>7</sup> restricted by a planning condition preventing occupancy for a continuous period of at least 28 days.

<sup>8</sup> the occupation of which is **not restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year

someone has died) or the ability for the Council to charge its determined rate of Council Tax following the expiry of the Class F exemption;

- **Properties that are being actively marketed for sale or rent** - the government proposes that this exception will apply for 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. The Council, in determining whether this exemption applies will require the following evidence:
  - (a) evidence that the dwelling is being **actively** marketed for sale or rent through a recognised agent (evidence can include contracts with agents, advertisements in recognised newspapers or marketing websites);
  - (b) where the premises are being self-marketed by the owner or landlord, evidence that the premises is being **actively** marketed (evidence can include advertisements in recognised newspapers or letting websites);
  - (c) where for sale, evidence that the premises are being sold at a true market level for the size and type of dwelling within the area in which it is situated. Where the dwelling is for let, that the rent requested is at a true market level for the size and type of dwelling within the area in which it is situated.

The above list is not exhaustive and the Council reserves the right to request further evidence to support any claim for exemption. The exemption will only apply once to any taxpayer or taxpayers if they are jointly and severally liable;

- **Empty properties undergoing major repairs** - this is time limited to 6 months. The government proposes that empty properties undergoing major repair works or structural alternations should be an exception to the premium for up to 6 months once the exception has been applied or when the work has been completed, whichever is the sooner. The exception will be applied at any time after the property has been empty for at least 12 months, so long as the Council is satisfied that the necessary repair work is being undertaken. As with all other exemptions to the premiums, the Council will require the taxpayer to provide such evidence as is required to support their application;
- **Job related dwellings** - currently, there is a Council Tax discount of up to 50% for properties which are unoccupied because the owner is required to live elsewhere for employment purposes. The discount applies 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. The government proposes that the dwelling should also be an exception to the second homes premium. **The 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 maintain their previous address;**

- 3.4 It is understood that regulations will be issued in early 2024 and the Council will need to ensure that any charging policy is in line with legislation. Therefore, the Council's Section 151 Officer in consultation with the relevant Cabinet Member, is granted delegated powers to amend this policy in line with legislative or government requirements.

#### **4. Outcome expected and 'safety net'.**

- 4.1 The expected outcomes of this policy are as follows:
- (a) Taxpayers will be encouraged, through the implementation of the new policy, to bring empty properties into use; and
  - (b) Increased Council Tax income from empty homes.
- 4.2 There may be circumstances where the implementation of these changes may cause exceptional hardship to a taxpayer. In such cases, the Council will consider applications for a reduction in liability under its Section 13A (1)(C) of the Local Government Finance Act 1992 - Reduction in Council Tax liability policy.
- 4.3 Where such an application is received, it will be considered on an individual case basis taking into account the circumstances of the taxpayer and the situation regarding the level of Council Tax charged. Should the taxpayer be aggrieved by any decision of the Council a further right of appeal will be with the independent Valuation Tribunal.

#### **5. Legislation**

- 5.1 The legislation that covers this policy and the recommendations made is as follows:
- S11A & S11B of the Local Government Finance Act 1992;
  - S11C of the Local Government Finance Act 1992 (as introduced by the Levelling Up and Regeneration Act 2023);
  - The Levelling Up and Regeneration Act 2023; and
  - S13A(1)(C) Local Government Finance Act 1992 (reduction in liability).
- 5.2 Due to changes in the legislation, the Council will be required to amend this policy, at any time, in line with statute.

#### **6. Finance**

- 6.1 Any amount of Council Tax received will be part of the Council's Collection Fund and will be shared between the Council and Major Precepting authorities in line with their share of the Council Tax.
- 6.2 Any reduction granted under S13A(1)(c) will be financed through the Council's general fund and do not form part of the Collection Fund.

## **7. Notification**

7.1 All changes will be notified on the taxpayer's demand notice.

## **8. Appeals**

8.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.

**8.2 The taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and notify the tax payer accordingly.**

8.3 Where the taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Council's website or from the Valuation Tribunal Service website.

## **9. Delegated Powers**

9.1 This policy for the Council Tax discounts and premiums has been approved by the Council. However, the Head of Revenues and Benefits, in consultation with the Council's S151 Officer, is authorised to make technical amendments to ensure it meets the criteria set by government and the Council.

## **10 Fraud**

10.1 The Council is committed to protecting public funds and ensuring that premiums are correctly charged.

10.2 A taxpayer who tries to reduce their Council Tax liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

10.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **11. Complaints**

11.1 The Council's complaints procedure (available on the Council's website) will be applied in the event of any complaint received about this policy.