



NORWICH
City Council

Norwich City Council Council Tax Long Term Empty and Second Home Premium Policy

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1.0 Introduction and background

- 1.1 The following policy outlines the Council's approach to the levying of empty homes premium and second homes premium.
- 1.2 Premiums were introduced by government on 1 April 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term.
- 1.3 The legislation which introduced premiums is S11B of the Local Government Finance Act 1992 (inserted by the Local Government Finance Act 2012). Premiums could only be charged on long-term empty dwellings. An empty dwelling is one which is 'unoccupied' and 'substantially unfurnished'. The definition of long term is where the dwelling has been empty for a continuous period of at least 2 years.
- 1.4 Initially the maximum level of premium was set by the government at 50% of the amount of Council Tax chargeable. Each council could determine the level of the premium up to the maximum and this is charged in addition to the amount determined by the council as payable for an empty dwelling (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 and D.
- 1.5 Certain classes of dwelling 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 (Council Tax (Prescribed Classes of Dwelling)(England)(Amendment) Regulations 2012 – Class E), or
 - dwellings which form annexes in a property which is being used as part of the main residence or dwelling in that property (Council Tax (Prescribed Classes of Dwelling)(England)(Amendment) Regulations 2012 – Class F).
- 1.6 In 2018 the Rating of Property in Common Occupation and Council Tax (Empty Dwellings) Act allowed authorities to increase the level of premiums on empty dwellings with effect from 1 April 2019 as follows.
 - Dwellings left unoccupied and substantially unfurnished for 2 years or more, - from 1 April 2019 a premium can be levied up to 100%;
 - Dwellings left unoccupied and substantially unfurnished for 5 years or more, - from 1 April 2020 a premium can be levied up to 200%; and
 - Dwellings left unoccupied and substantially unfurnished for 10 years or more, - from 1 April 2021 a premium can be levied up to 300%.

- 1.7 It should be noted that premiums are charged in addition to the 100% Council Tax payable on empty premises.

2.0 Empty homes premiums (from 1 April 2024)

- 2.1 Section 79 (1)(b) of the Levelling Up and Regeneration Act 2023 permits the council to impose an empty homes premium after one year instead of two years. Section 80 of the Act provides that from 1 April 2024, a property can be charged an empty homes premium at 100% after one year, even if it became empty before 1 April 2024.
- 2.2 Norwich City Council has resolved to implement the change with effect from 1 April 2024.
- 2.3 The legislation requires the council to be mindful of any guidance or further regulation in relation to the implementation of the premiums and this is detailed in Section 4 of this policy.

3.0 Introduction of premiums for second homes (from 1 April 2025)

- 3.1 The definition of a second home for Council Tax purposes is a dwelling which has “no one resident” but is “substantially furnished”.
- 3.2 Section 80 (2) of the Act inserts a new section 11C into the Local Government Finance Act 1992. This permits the council to apply a premium on second homes. The maximum Council Tax charge in these cases would be a standard 100% charge plus a premium of 100% making a total Council Tax charge of 200%.
- 3.3 Unlike empty dwellings, there is no requirement for a property to have been used as a second home for a fixed period of time before the premium can apply.
- 3.4 As with other changes introduced by the Act, section 11C(3) 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. It was agreed at the council meeting on 21 February 2024 to introduce this premium with effect of 1 April 2025.
- 3.5 The Act provides that a dwelling cannot be subject to both a second homes premium and an empty homes premium imposed under section 11B of the 1992 Act, and that an existing empty homes premium would cease to apply to a property which became subject to a second homes premium.

4.0 Exceptions from the premiums (empty homes premium and second home premium)

- 4.1 The government completed a consultation which sought the views on the possible categories of dwellings which should be dealt with as exceptions to the Council Tax premiums. From 1 April 2025, regulations came into force with the exceptions for both empty homes premium and the second home premium.
- 4.2 The council has included the exceptions below; however, it should be noted that these MAY CHANGE if the government alter the regulations.
- 4.3 The regulations indicate that there will be circumstances where either the premiums will not apply or be deferred for a defined period of time. These are as follows:
- **Properties undergoing probate** – these properties should be exceptions to both the second homes and empty homes premium for a **maximum of 12 months**. The exception would start once probate or letters of administration are granted. This will not affect the Class F Council Tax exemption 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** – 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, whichever is sooner. The council in determining whether this exception 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 letting websites;
 - (b) where the premises are being self-marketed by the owner or landlord, evidence that the premises are 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 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 this exception. The exception will

only apply once to any taxpayer or taxpayers if they are jointly and severally liable;

- Norwich City Council also have a local exception to both the empty homes premium and second home premium for properties which are marketed for sale but are restricted due to issues with external cladding. This exception is not time limited, however, evidence will need to be supplied for consideration.
- **Empty properties undergoing major repairs** – this is time limited **up to 12 months**. Properties that are unoccupied and unfurnished (commonly called ‘empty’) and require major repair works or are undergoing structural alterations should be an exception to the premium for up to 12 months, starting from the date major or structural alterations commenced. The exception ends when either the works have been completed or the 12 month period has ended, whichever is sooner. The exception will be applied, so long as the council is satisfied that the necessary repair work is required or structural work is being undertaken. As with all other exceptions to the premiums, the council will require the taxpayer to provide such evidence as is required to support their application. Replacement, refurbishment or modernisation of, for example, kitchen, bathrooms, toilets, installation of replacement windows, central heating, rewiring, replastering, would not lead to a reduction because these are not major repairs. Structural alterations would include major underpinning, total replacement of floors, including new joists, damp proof membrane, total replacement of ceilings or roof including new joists/timbers, total re-plastering (back to brickwork) of the entire walls of the majority of the property;
- **Job related dwellings** – currently there is a Council Tax discount for properties which are unoccupied because the owner is required to live elsewhere for employment purposes. The legislation indicates 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 close to work whilst having a family home elsewhere or where an individual is posted to a new location but maintain their previous address;
- **Occupied caravan pitches and houseboat moorings** – the legislation indicates that these caravans and boats should be an exception to the council tax premium on second homes;
and
- **Annexes** – where an annex forms part, or the same property as, and is being used as part of, a person’s sole or main residence, it will be excluded from a premium.
- **Seasonal homes** where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation or prevents occupancy as a person’s sole or main residence – the legislation indicates that properties that have restrictions or conditions preventing occupancy for a continuous period of at least 28 days in any 12 month period, or specifies its use as a holiday let, or prevents

occupancy as a person's sole or main residence, should be an exception to the second homes premium.

- 4.4 In accordance with S11B of the Local Government Finance Act 1992 (inserted by the Local Government Finance Act 2012), no account will be taken of any period of 6 weeks or less, where the property has not been occupied as a sole or main residence or has not been substantially furnished.
- 4.5 The council expect to be informed of a change that will affect the premium, within 21 days of the change occurring. This allows the council the opportunity to verify the information being provided. If an application for an exception has not been submitted, it may result in the premium being applied until the change can be verified.

5.0 Legislation

- 5.1 The legislation that covers this policy 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
 - The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 (SI 2024/1007)
- 5.2 Due to changes in legislation, the council will be required to amend this policy at any time, in line with statute.

6.0 Notification

- 6.1 Where a taxpayer is granted an exception to the premium, a revised demand notice will be issued. Where an exception is applied for, but not granted, the council will provide a notification of its decision.

7.0 Appeals and Complaints

- 7.1 Appeals against the council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 7.2 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 taxpayer accordingly.
- 7.3 Where the taxpayer remains aggrieved, a further appeal can be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision by the council not to grant any reductions. Full details can be obtained from the council's website or from the Valuation Tribunal Service website.

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