

Policy and Resources Committee Meeting	
Meeting Date	5 February 2025
Report Title	Council Tax Empty Property Policy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Zoe Kent, Head of Revenues and Benefits
Lead Officer	Zoe Kent, Head of Revenues and Benefits
Classification	Open
Recommendations	1. To adopt the Empty Property policy.

1 Purpose of Report and Executive Summary

- 1.1 The Council currently charges a premium on properties that have been unoccupied for more than 12 months. Under the Local Government Finance Act 1992 as amended through the Levelling-up and Regeneration Act 2023 a premium may be charged on second homes from 1 April 2025. The decision to charge a premium on a second home must be made at least one financial year before a premium can be charged. This decision was approved on 21 February 2024.
- 1.2 The purpose of this report is to seek approval to introduce changes to the policy when a premium is not charged.

2 Background

- 2.1 In April 2015 the Council introduced a premium of 50% of the Council Tax charged on properties that have been empty for a period of more than two years. The definition of an empty property for Council Tax purposes is one that is unoccupied and is substantially unfurnished.
- 2.2 On 1 November 2018 the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act was introduced to allow authorities to vary the percentage of premium that is charged, based on the length of time that a property has been empty.
- 2.3 The legislation was then changed again under the Local Government Finance Act 1992 as amended through the Levelling-up and Regeneration Act 2023 allowing authorities to charge a premium on empty properties from 12 months from 1 April 2024 and on second homes from 1 April 2025.
- 2.4 From the financial year 2025/26 premiums will be charged as per table 1.

Table 1.

Financial Year	Type of Premium
2024/25	Maximum of 100% premium - empty for more than 12 months but less than 5 years
	Maximum of 200% premium - empty more than 5 years but less than 10 years
	Maximum of 300% premium – empty more than 10 years
2025/26	Empty property premiums as 2024/25
	Maximum of 100% premium – second homes that are not used as a main home

2.5 Any adjustment to premiums will be reflected in the Council Tax Base, increasing the amount of Council Tax to be generated by the Borough Council, Kent County Council, Kent Police, Kent Fire & Rescue and Parish Councils in line with their individual proportion of the overall Council Tax Set.

2.6 When the original decisions were taken to charge premiums on empty properties the following were considered. The increasing pressures on housing and local government finance and the need to provide a greater incentive for empty properties to be returned to use. This is also the case for charging a premium on second homes. The number of properties currently being charged a premium and the number of second homes is shown in table 2.

Table 2.

Type of Premium	Number of properties charged a premium
100% premium – empty for more than 12 months	74
200% premium – empty for more than 5 years	13
300% premium – empty for more than 10 years	13
Second homes – furnished and not lived in as main home (not including holiday sites).	189

2.7 In 2015 when the council approved the decision to charge premiums on empty homes it decided not to charge premiums on properties that were actively marketed for rent or for sale. This gave owners the chance to sell or rent out the property before being charged a premium, however there was no limit on how long the property could be on the market for sale or to rent.

2.8 In November 2024 the Government issued guidance covering when a premium should not be charged on an empty property or a second home. The exclusions can be found in part 5 of the policy. Class G dwellings being actively marketed for

sale (12 months limit) and Class H dwellings being actively marketed for let (12 months limit) both have a limit of 12 months.

- 2.9 Class M excludes a premium being charged on dwellings requiring or undergoing major repairs or structural alterations (12-month limit). This gives owners the opportunity to carry out works on a property without having the added cost of being charged a premium for a period of 12 months.

3 Proposals

- 3.1 It is proposed that the exclusions to the current Council Tax empty property premium are changed as follows.

a premium will be charged on any empty property that has been unoccupied and unfurnished for 12 months or more and does not meet the following criteria:

- Is actively being marketed for rent
- Is actively being marketed for sale
- Is furnished

Changed to

a premium will be charged on any empty property that has been unoccupied and unfurnished for 12 months or more and does not meet the following criteria:

- Is actively being marketed for rent – 12 months limit
- Is actively being marketed for sale – 12 months limit
- Is furnished – removed, changed to a second home and premium charged

- 3.2 The Empty Property policy includes at part 5, table one the exclusion classes from Class E to Class M. it is proposed that these are adopted as part of the policy.

- 3.3 Class M - excludes properties that are requiring or undergoing major repairs or structural alterations being charged a premium for a 12-month limit. Major repairs or structural alteration could be open to interpretation and claimed in cases where properties are not undergoing major repairs. It is therefore proposed that premiums are only removed where the refurbishments meet the qualifying works in part 5, table 2 of the policy.

4 Alternative Options Considered and Rejected

- 4.1 The Council could continue to not charge a premium without a time limit on properties that are up for sale or to let. This is not recommended because owners can leave properties being marketed whilst not accepting offers meaning they are not actively being marketed. There is a shortage of housing within the Swale area and the premiums help to ensure that properties are available for occupation reducing those needing to be housed.

- 4.2 Do nothing. The policy has been written to encourage empty properties to be brought back into use. The Government's exclusions ensure that a premium is only added to an account where the property should be brought back into use or for second homes removing the premium to properties on holiday sites that are not suitable to be long-term homes. This option is therefore not recommended.

5 Consultation Undertaken or Proposed

- 5.1 A review of empty properties and second homes was carried out in the summer of 2024. This ensures our data base is up to date. The empty property premium charges and second home premium were advertised in a local newspaper in March 2024. A letter will be sent to all second homes to confirm that properties are second homes and to give details of the premium.

6 Implications

Issue	Implications
Corporate Plan	The objectives and priorities in the corporate plan.
Financial, Resource and Property	Significant pressure on budgets means that the council needs to use available income generation legislation to deliver services.
Legal, Statutory and Procurement	The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 amends Section 11B of the Local Government Finance Act 1992. Section 11B of the 1992 Act sets out the higher amounts of council tax payable from April 2019 for long-term empty dwellings as detailed in paragraph 2.4 above.
Crime and Disorder	Empty properties can be used for the purposes of crime and can reduce standards within local areas.
Environment and Climate/Ecological Emergency	None
Health and Wellbeing	None
Safeguarding of Children, Young People and Vulnerable Adults	None
Risk Management and Health and Safety	There is a risk of an increase in the number of appeals to the Valuation Tribunal. An appeals procedure will be put in place. The risk on current resources would be minimal. The cost of administrating the premium would be minor and therefore there would be no impact on current budgets.

Equality and Diversity	Equalities have been considered and no impact has been identified.
Privacy and Data Protection	The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Data Protection Officer will have reviewed the processing of personal data affected and the associated documentation will be updated accordingly.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Empty Property Policy