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**Appendix 15: Council Tax Empty Property and Second Home Premium Policy: Section 13A (1) (c) Reduction Policy - Proposed Policy from 1 April 2025**

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**Council Tax Empty Property and Second Home Premium Charge**

**Section 13A(1)(c) Reduction Policy**

**Reviewed January 2025**

## **Contents**

- 1 Introduction and Purpose of the Policy**
- 2 Charges to be levied**
- 3 Council Tax – Section 13A(1)(c) Reduction Policy**
- 4 Appeals**
- 5 Help and Advice with an Empty Property**

## **1 Introduction and Purpose of the Policy**

- 1.1 The Local Government Finance Act 2012 amended the Local Government Finance Act 1992, abolishing Council Tax exemptions for certain empty properties and increasing local authorities' discretion in setting the level of council tax charged in respect of empty and unoccupied properties.
- 1.2 The purpose of this policy is to set out the charges to be levied in respect of empty and unoccupied properties and furnished and unoccupied properties from 01 April 2025.
- 1.3 This policy also sets out the criteria to be applied when deciding whether to award a discretionary Section 13A(1)(c) reduction under certain circumstances for properties subject to the council's Empty Property Premium Charge and the council's Second Homes Premium Charge.
- 1.4 The policy also sets out the criteria to be applied when applying the Government regulations to not apply the premium for certain categorisation of properties classed as empty properties or second homes.
- 1.5 The revised Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) Regulations 2024 were laid before Parliament on 8 October and came into force on 1<sup>st</sup> November 2024. Councils are able to apply these new regulations effective from 1 April 2025.
- 1.6 These regulations are made under Section 11B and 11D of the 1992 Act which enables the Secretary of State to prescribe classes of dwellings to which the premiums would not apply. They prescribe seven new classes of dwellings in relation to which a premium may not be charged on certain criteria of long-term empty homes and/or second homes, with some exceptions being time limited to 12 months.

## 2 Charges to be Levied

- 2.1 The Council has resolved to charge empty and unoccupied properties as follows with effect from 01 April 2024:

Properties empty and unoccupied for up to 12 months	100% Council Tax charge will apply
Properties empty and unoccupied for 1 – 5 years	200% Council Tax charge will apply (includes 100% empty property premium)
Properties empty and unoccupied for 5 – 10 years	300% Council Tax charge will apply (includes 200% empty property charge)
Properties empty and unoccupied for more than 10 years	400% Council Tax charge will apply (includes 300% empty property charge)

- 2.2 The Council has resolved to charge furnished and unoccupied properties, known as second homes, as follows with effect from 01 April 2025:

Properties furnished and unoccupied properties, known as second homes	200% Council Tax charge will apply (includes 100% empty property premium)
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## 3 Government exceptions for both Empty Homes and Second Homes Effective from 1 April 2025

- 3.1 The revised Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) Regulations 2024 were laid before Parliament on 8 October 2024 and came into force on 1 November 2024. Councils are able to apply these new regulations effective from 1 April 2025.
- 3.2 These regulations are made under Section 11B and 11D of the 1992 Act which enables the Secretary of State to prescribe classes of dwellings to which the premiums would not apply. They prescribe seven classes of dwellings in relation to which a premium may not be charged on certain criteria of long-term empty homes and/or second homes, with some exceptions being time limited to 12 months.
- 3.3 The Government has defined certain circumstances whereby properties subject to the Empty Property Premium charge or the Second Homes Property Premium charge may have the impact of this charge

offset by a premium exception. In all such circumstances the liable person will remain subject to a 100% council tax charge

- 3.4 Some of these exceptions are time limited to 12 months whilst others may run as long as the dwelling meets the qualifying criteria.
- 3.5 Applications for an exception will only be considered in individual cases where the qualifying criteria can be demonstrated / evidenced for a property remaining unoccupied and unfurnished for more than 12 months or for a property which is furnished but unoccupied.
- 3.6 Where an application is successful, the discount will be applied directly to the council tax account and, where appropriate, is subject to a review on an annual basis.
- 3.7 Qualifying criteria for an exception from a Council Tax premium for those properties classed as empty and unfurnished or empty but furnished are:

#### **Government Exception for both Empty Homes and Second Homes Effective from 1 April 2025**

- 3.8 Billing authorities will not be able to charge either an empty or second home council tax premium in relation to the following properties:
  - a. Properties that are being marketed for sale for a period of up to 12 months.
  - b. Properties that are being marketed for let for a period of up to 12 months.
- 3.9 Inherited properties, where probate or letters of administration have been granted for a period of up to 12 months.

#### **Government Exception for Empty Homes Only Effective from 1 April 2025**

- 3.10 Billing authorities will not be able to charge an empty home council tax premium in relation to the following properties:
  - a. Properties that are undergoing major work to make it habitable, or structural alteration.

#### **Government Exception for Second Homes Only Effective from 1 April 2025**

- 3.11 Billing authorities will not be able to charge a second home council tax premium in relation to the following properties:

- a. Properties that are periodically occupied in certain job-related circumstances.
- b. A pitch occupied by a caravan, or a mooring occupied by a boat.
- c. Properties where a planning condition prevents permanent occupancy.

#### **4 Council Tax Section 13A(1)(c) Discretionary Reduction Policy**

- 4.1 The ability to reduce a council tax charge is included in Section 13A of the Local Government Finance Act 1992 as amended by Local Government Act 2003, section 76. Section 76 gives councils the authority to make a discretionary reduction in council tax in circumstances that it deems appropriate. There is a cost to the council in respect of any reduction awarded and this is met by the council's collection fund.
- 4.2 Durham County Council has defined certain circumstances whereby properties subject to the Empty Property Premium charge or the Second Home Premium charge may have the impact of this charge offset by a section 13A(1)(c) reduction. In all such circumstances the liable person will remain subject to a 100% council tax charge
- 4.3 Applications for an exception will only be considered in individual cases where the qualifying criteria can be demonstrated and evidenced for a property remaining unoccupied and unfurnished for more than 12 months or for a property which is furnished but unoccupied and after any appropriate Government exception has been applied and exhausted.
- 4.4 Where an application is successful, the discount will be applied directly to the council tax account and will be reviewed on an annual basis.
- 4.5 The Council will treat all applications on their individual merits and, through these guidelines will consider granting an exception from the Empty Property Premium charge in the following circumstances:
  - (a) **Properties for sale or rent** – only where the owner is genuinely seeking to sell or rent the property in local market conditions (at a realistic selling price or rent level) advertised on the open market through an estate agent. Applicants will need to provide evidence that they have engaged with the council's Housing Solutions team in terms of any help that may be available from the council concerning potential upgrades and grants to enable the property to be sold/let.

- (b) **Properties in need of renovation** – only where the new owner is acting to return the property to occupation and can provide evidence that the action has been continuous and realistic and that major work is being undertaken. The Housing Solutions team may be able to help with grants to assist. If work is needed but not being undertaken this criteria is not met.
- (c) **Owners who are experiencing legal or technical issues** which are preventing the sale or letting of the property – A solicitor's or legal conveyancer's letter should be produced as evidence detailing the reasons preventing sale or letting. This can include issues with probate or planning, and it is expected that when this covers multiple years an update from the conveyancer or solicitor will be required.
- (d) **Properties being deliberately kept empty because of interventions to support regeneration of an area** and for those waiting to be demolished as part of this – details of the regeneration scheme and how it affects the properties involved will need to be supplied alongside internal checks undertaken with the Regeneration team.

4.6 The Council will treat all applications on their individual merits and, through these guidelines will consider granting an exception from the Second Home Premium charge in the following circumstances:

- (e) **Properties for sale or rent** – only where the owner is genuinely seeking to sell or rent the property in local market conditions (at a realistic selling price or rent level) advertised on the open market through an estate agent. Applicants will need to provide evidence that they have engaged with the council's Housing Solutions team in terms of any help that may be available from the council concerning potential upgrades and grants to enable the property to be sold/let.
- (f) Properties that are periodically occupied in certain job-related circumstances.
- (g) A pitch occupied by a caravan, or a mooring occupied by a boat.
- (h) Properties where a planning condition prevents permanent occupancy.

4.7 Any awards are intended as short-term assistance only and can be subject to reviews being carried out throughout the financial year in which they apply and will be subject to an annual review where a new application is required.

- 4.8 Online application forms can be made at [Apply for a reduction in your council tax premium](#) and supporting evidence can be uploaded once the application has been made.
- 4.9 It is the responsibility of the council taxpayer applying for relief to provide enough information and documentary evidence to support their application. If this is not provided the application will still be considered, but only based on the information and evidence provided. No costs will be borne by the council in the provision of this evidence.
- 4.10 Further information may be requested to support an application and where such a request is made, the information must be provided within four weeks. Failure to provide information within four weeks may lead to the refusal of the application unless good cause can be shown.
- 4.11 Applications will be considered wherever possible within 28 days of receiving an application and all supporting evidence.
- 4.12 The council taxpayer will be advised in writing of the decision and revised council tax demand notices issued where applicable.
- 4.13 The council will accept a request from a council taxpayer for a re-determination of its decision and all such requests should be made in writing within 28 days of the date of the original decision notice detailing the reasons why they consider the decision should be reviewed.
- 4.14 Council Tax payments cannot be withheld pending a re-determination decision and if successful, the remaining instalments will be adjusted accordingly.
- 4.15 The council will notify the council taxpayer of its final decision wherever possible within 28 days of receiving a request for a re-determination.
- 4.16 Further consideration will be given to properties which fall into the following categories and who will be exempt from the premium charge:
- Supported accommodation where the property has been previously used for supported accommodation and the continued use of the property will be supported accommodation
  - Properties to house the homeless where the property has been previously used for housing homeless and the continued use of the property will be to house homeless and the owner is working with the Council's Housing Solution team or is a register housing association.
  - Crash pads (temporary accommodation) where the property has been previously used for temporary accommodation and the continued use of the property will be for temporary



accommodation and the owner is working with the Council's Housing Solution team or the owner is a register housing association.

## **5 Appeals**

- 5.1 If the council taxpayer remains dissatisfied with the refusal of their application, they have the right of appeal to a Valuation Tribunal. Any appeal should be made direct to the Valuation Tribunal within two months from the date of the decision letter.

The service is provided free of charge and submissions should be made either by Email: [Appeals@valuationtribunal.gov.uk](mailto:Appeals@valuationtribunal.gov.uk) or Web: [www.valuationtribunal.gov.uk](http://www.valuationtribunal.gov.uk).

- 5.2 Council Tax payments cannot be withheld pending the outcome of an appeal and if the appeal is successful, the remaining instalments will be adjusted accordingly.

## **6 Help and Advice with an Empty Property**

- 6.1 Details of how the Housing Solutions team can help you can be found at:
- the web page <http://www.durham.gov.uk/emptyhomes>
  - by email at [housingsolutions@durham.gov.uk](mailto:housingsolutions@durham.gov.uk) or
  - by telephone 03000 268000

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