



ADUR & WORTHING
COUNCILS

COUNCIL TAX

SECOND HOMES PREMIUM & EMPTY HOMES PREMIUM POLICY

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1.0 Introduction and Scope

- 1.1 This policy is effective from 1 April 2025.
- 1.2 This policy is in place to ensure there is clear guidance to the council's approach to the second homes and empty homes premium. Section 80 (1)(b) of The Leveling-Up and Regeneration Act 2023 (The Act) provides councils with the discretion to charge a council tax premium of up to 100% on all residential dwellings which are substantially furnished and are not occupied as a main residence for council tax purposes (more commonly referred to as second homes), or a long term empty home (a property which is not used as anyone's main residence and which is substantially unfurnished).
- 1.3 Under Section 80 (3) of the Act any decision to impose a council tax premium on second homes must initially be made at least one year prior to the beginning of the financial year for which it relates.
- 1.4 The government has recognised that there will be circumstances where it would not be appropriate for the premium to apply and have created a number of 'exceptions' to the premium.
- 1.5 Where a property is exempt from council tax already, it will also be exempt from the premium.
- 1.6 The introduction of a premium on second homes & empty homes might also encourage council taxpayers to consider transferring their property into business rates to benefit from small business rate relief. However, from 1 April 2023, the Valuation Office Agency, who are responsible for compiling the non-domestic rating list will only rate domestic properties for business rates if they are let for at least 70 days and are available for let for at least 140 days each year. This should ensure that only genuine short term lets are transferred from council tax to business rates.

2.0 Empty homes premium

- 2.1 The Leveling-Up and Regeneration Act 2023 allows councils to charge a premium on properties that have been empty for over one year on 1 April 2024. Councils were previously allowed to charge a premium on properties that had been empty for over two years.
- 2.2 Adur & Worthing Councils has previously been charging a premium on any property that had been empty for over two years.

2.3 Adur full council decided on 22 February 2024, and Worthing full council decided on 24 February 2024 that a premium will become payable on properties that have been empty for over one year on 1 April 2024.

2.4 The amount of premium to be charged on empty homes is shown below.

Length of time a property has been empty	Charge up to 31 March 2024	Charge from 1 April 2024
Up to 1 year	0%	0%
1 to 2 years	0%	100%
2 to 5 years	100%	100%
5 to 10 years	200%	200%
Over 10 years	300%	300%

3.0 Exceptions to the empty homes premium

3.1 Legislation has been put in place so that if properties meet set criteria, they are exempt from the premium, either for a set period, or with no time limit.

Category of Property	Length of exception from empty home premium
Exception Class E Property that would be or is someone's sole or main residence if they were not residing in job-related armed forces accommodation.	No time limit
Exception Class F Annexes forming part of, or being treated, as part of the main dwelling.	No time limit
Exception Class G Property being actively marketed for sale.	12 months from date being actively marketed from
Exception Class H Property being actively marketed for let.	12 months from date being actively marketed from.
Exception Class I Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted.	12 months from date probate is granted or letters of administration issued.
Exemption Class M Empty dwellings requiring or undergoing major repairs or structural alterations.	12 months

4.0 Properties that will attract the empty homes premium

- 4.1 A second home premium of 100% will be applied to all residential dwellings which are substantially furnished and are not occupied as a main residence for council tax purposes (more commonly referred to as second homes) unless an exception applies. These exceptions are set out in paragraph 5.0.
- 4.2 The second home premium of 100% which is added, is in addition to the 100% council tax charge payable on second homes.
- 4.3 The exceptions to the premium, will be identified via database/system reports and applications from taxpayers.
- 4.4 The law does not give a definition of sole or main residence, so when deciding as to whether a property should have the second home premium applied officers will consider the following factors.
- Whether a property is considered to be a main residence.
 - Where a taxpayer's spouse/partner or family lives.
 - Where a taxpayer's children are educated (if they have children of school age).
 - Where a taxpayer's employment is based.
 - Which property the taxpayer ultimately intends to return to (if liable for two properties).
 - Where most of the taxpayer's personal belongings are kept.
 - Which address has been declared to the home insurance provider as being the taxpayer's main residence.
 - Security of tenure at each property (owner, tenant, license to occupy).
 - Where the taxpayer is registered to vote.
 - Where the taxpayer is registered for their GP.
 - The address the taxpayer has declared to DVLA & their motor insurance provider as being their main residence.
 - Any other relevant factors.
- 4.5 There is no requirement for a dwelling to have been used as a second home for any previous amount of time for the premium to apply.
- 4.6 Where the taxpayer has declared their main residence in another district (or conversely if they have another property in another district which has been declared as a second home) we may contact the other local authority for verification.

4.7 Information may be shared with other local authorities, relating to a taxpayer's main residence, for the purposes of the administration of council tax, and specifically, the class of a specific dwelling.

5.0 Exceptions to the second home premium

5.1 Legislation has been put in place so that if properties meet set criteria, they are exempt from the premium, either for a set period, or with no time limit.

Category of Property	Length of exception from second homes premium
Exception Class E Property that would be or is someone's sole or main residence if they were not residing in job-related armed forces accommodation.	No time limit
Exception Class F Annexe forming part of, or being treated, as part of the main dwelling	No time limit
Exception Class G Property being actively marketed for sale.	12 months from date being actively marketed.
Exception Class H Property being actively marketed for let.	12 months from date being actively marketed.
Exception Class I Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted.	12 months from date being actively marketed.
Exception Class J Job Related (conditions apply)	No time limit
Exception Class K Chargeable dwelling in England which consists of a pitch occupied by a caravan, or a mooring occupied by a boat.	No time limit

<p>Exception Class L Dwelling in England, the occupation of which is restricted by a planning condition –</p> <ul style="list-style-type: none"> - preventing occupancy for a continuous period of at least 28 days in anyone-year period. - specifying that the dwelling may be used for holiday let only; or - preventing occupancy as a person's sole or main residence. 	No time limit

6.0 Notifications of premiums and exceptions

6.1 Where an exception to the second home premium has been granted or terminated, a revised demand notice will be issued.

6.2 Where an exception has been applied for and not awarded, a decision notice with appeal rights will be issued.

7.0 Properties being used as a holiday let

7.1 If a property is being used as a holiday let, it is possible that the property should be charged business rates as opposed to council tax.

7.2 The Valuation Office Agency will decide if a property should be moved from council tax to business rates. The criteria they use is -

- The property must have been available to let commercially, for short periods of time, for at least 140 nights in the last 12 months, and.
- The property will be available to let commercially, for short periods of time, for at least 140 nights in the following 12 months, and.
- The property has been let commercially, in the last 12 months, as short-term self-catering accommodation, for at least 70 nights or more.

7.3 Taxpayers must contact the Valuation Office Agency directly if they want to request that their property be transferred into the business rates valuation list.

8.0 Outcomes to be achieved

8.1 It is expected that as a result of a 100% second home premium and the extension of the empty home premium the following outcomes will be achieved;

- Taxpayers will be encouraged to bring second and empty homes into use as primary residences.
- A reduction in the number of second homes within the district and borough.
- A reduction in the number of empty homes within the district and borough in line with the council's Empty Homes Strategy.
- Increased council tax income to support local services.

9.0 Financial impact

9.1 It is expected that because of the second home premium and expansion of the empty home premium being applied, there will be an increase in council tax income.

9.2 Any amount of premium received will be part of Adur & Worthing Councils collection fund.

9.3 Any amount of premium received will be shared between Adur & Worthing Councils, and the major precepting authorities in line with their normal apportioned share of council tax.

9.4 Significant additional work may be generated for the revenues team, including appeals against a property being considered a second home or empty home.

10.0 Community impact

10.1 Charging a second home premium and extended empty home premium is expected to encourage more owners to use their property as a main residence.

10.2 More properties may be placed on the market within the district and borough.

11.0 Discretionary Reduction- Section 13a

In exceptional circumstances where it is not possible to occupy a property and where paying an additional premium would cause extreme hardship to the taxpayer, the council will consider an award of hardship under section 13a of the Local Government Finance Act 1992 which provides local authorities with discretionary

powers to enable it to reduce a council tax liability to nil. Each case will be considered on its own merits.

12.0 Roles and responsibilities

The revenues team are responsible for the upkeep of the council tax database and ensuring accuracy of the database. The responsibilities include, but are not exclusive too; -

- Identifying second homes.
- Identifying empty homes.
- Identifying properties that are excepted from the premium.
- Applying the second home premium and empty home premium.
- Dealing with taxpayer disputes and queries around the premiums.
- Dealing with appeals against the class of property a dwelling has been placed into, or the refusal of an exception to the premium.

13.0 The Council's approach and considerations

- 13.1 When considering whether a premium should apply, and if so an exception to the premium, the council, and specifically the revenues team should have regard to the status of the property.
- 13.2 If the property is occupied as a main residence, then no premium shall apply. The factors for officers to determine main residence are set out in paragraph 4.4.
- 13.3 If the council is advised that the property is no longer used as a main residence then the revenues team will decide who should be liable in accordance with the legislation. In most cases this will be the freehold/leasehold owner.
- 13.4 If the property is owned by bodies established for charitable purposes only then a Class B exemption will be applicable for up to six months from when the property became empty. If the property remains empty for more than 12 months an empty homes premium will apply.
- 13.5 When a property is long term empty, in other words empty for at least one year, an empty home premium is applied, depending on the length of time it has been empty; -

- 1 to 2 years, a premium of 100% will be applied.
 - 5 to 10 years, a premium of 200% will be added.
 - Over 10 years, a premium of 300% will be added.
- 13.6 If the council is advised of a property becoming unoccupied, but it is not clear if it is substantially unfurnished, then the second home premium will be applied.
- 13.7 Regard should be given as to whether any exceptions to a premium will apply (see sections 3 & 5 for full list of exceptions).
- 13.8 If no exception is appropriate, then an amended demand notice is issued with the premium applied.
- 13.9 Taxpayers can be signposted to the council's second home & empty homes webpage where full details of the premium and exceptions are detailed.
- 13.10 When an exception application is received, then the revenues team will consider the application, ensuring all evidence requested has been provided, and apply the relevant exception on the taxation database.
- 13.11 An updated demand notice is then issued showing the relevant premium exception being applied.
- 13.12 Periodic reviews are undertaken on premiums and exceptions, and in person visits by the Revenues Inspector Officers.

14.0 Appeals

- 14.1 Should a taxpayer disagree with a premium being added to their council tax account, or, being refused an exception, then they do have the right to appeal this decision.
- 14.2 The taxpayer cannot appeal the percentage of premium applied, nor that Adur & Worthing Councils has agreed a premium for second or empty homes but can appeal against the class of property they have been listed as. In other words, the taxpayer can appeal that their property has been listed as a second home or long-term empty, and therefore liable for the premium.
- 14.3 The taxpayer must follow the appeals process which is detailed in the Local Government Finance Act 1992. In the first instance they must make representation to Adur & Worthing Councils, giving reasons why they believe their property is not considered to be a second or empty home, or, that they have been refused an exception from the premium. The appeal will then be considered by the revenues team, which may require further clarification from

the taxpayer, and a decision notice must be sent to the taxpayer within two months of the appeal being received.

- 14.4 Any appeal that is refused by the council must be authorised by either the Senior Revenues Officer or Revenues & Recovery Team Leader.
- 14.5 If the appeal is refused, and the taxpayer still disagrees with the decision, or does not receive a decision notice within two months, they can then appeal to the Valuation Tribunal Service, who are independent to the local authority. Any appeal must be made within two months of the date the council issues the decision notice.
- 14.6 Should a taxpayer decide to appeal to the Valuation Tribunal Service, payment must continue to be made in accordance with their latest demand notice, until the appeal has been listed by the VTS.

15.0 Fraud and risk

Adur & Worthing Councils has a duty and is committed to protecting the public purse and ensuring premiums are correctly charged, and that exceptions are correctly applied.

Any taxpayer who tries to falsely declare an exception to the premium, and as a result, have their council tax reduced, may have committed an offense under The Fraud Act 2006.

Where this is suspected Adur & Worthing Councils Corporate Investigation Team may investigate the suspected fraud.

16.0 Policy Review

This policy will be reviewed on an annual basis or sooner if there is a change in legislation that would affect its operation.

<i>VERSIONS of Second Home Premium policy</i>	
Version 1 Approved by Tracey Strutt	24 March 2025