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| <b>Item No</b>                                 | <b>Referred from:</b> | <b>CABINET</b>   |
| <b>7C</b>                                      | <b>Date:</b>          | <b>6 FEBRUARY 2024</b>                                 |
|  | <b>Title of item:</b> | <b>COUNCIL TAX PREMIUMS FOR EMPTY AND SECOND HOMES</b> |
| <b>To be considered alongside agenda item:</b> |                       | <b>9</b>   |

The report considered by the Cabinet at the meeting held on 6 February 2024 can be viewed here: [Agenda for Cabinet on Tuesday, 6th February, 2024, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

**RECOMMENDED TO COUNCIL:** The following changes to the Council Tax premiums on empty and second homes:

- (1) That from 1 April 2024 until 31 March 2025 the following interim premiums are introduced:
  - Properties empty for one year but less than two will not receive a Premium
  - Properties empty for more than two years, but less than five years will receive a 100% Premium.
  - Properties empty for five years but less than ten years a 150% Premium.
  - Properties empty for more than ten years a 200% Premium.
- (2) That from 1 April 2025 the Council adopts the following full Premium levy rates:
  - Properties empty for one year but less than five will receive a 100% Premium.
  - Properties empty for five years but less than ten years a 200% Premium.
  - Properties empty for more than ten years a 300% Premium.
- (3) That from 1 April 2025 a 100% Premium is levied on all properties that are determined as a second home, subject to any exceptions once these have been confirmed by Regulations and that the Service Director – Customers in consultation with the Executive Member for Finance and IT is delegated authority to make any amendments following further confirmation of the Regulations.

**REASONS FOR DECISION:**

- (1) To support the principle of bringing unoccupied properties back into occupation in line with the proposed empty homes strategy. At the time of writing there are 43 properties that have been unoccupied for over five years.
- (2) The introduction of a phased approach of increasing the premiums enables us to advertise the changes. As the introduction of premiums for properties unoccupied for between one and two years is new there will be no expectation on the owners of these properties of an additional premium and therefore it is recommended that this aspect is deferred until 2025 to allow time to advertise the change.
- (3) In respect of a premium on Second Homes the Council is required to give one year's notice as this is the Council's first determination in this regard and therefore a resolution must be made before the end of the 2023/24 financial year in order to bring in the premium from 01 April 2025.

*Audio recording – 24 minutes 49 seconds*

In the absence of the Chair and Vice Chair of the Overview and Scrutiny Committee, Councillor Ian Albert presented the referral and advised that there had been general discussion around whether this should be undertaken by the Council and around the similar plans of other local authorities.

Councillor Ian Albert, Executive Member for Finance and IT, presented the report entitled 'Council Tax Premiums for Empty and Second Homes' and advised that:

- The paper complemented and provided some tools to support the Empty Homes Strategy.
- There were two separate aspects to consider, empty homes and second homes.
- In 2019 the Council introduced a 100% premium for properties empty for more than 2 years.
- Analysis was carried out in December on the 157 properties which had been empty for over 2 years. 121 properties were paying Council Tax, 7 had no premium applied and 29 were not paying Council Tax regularly.
- The number of empty homes continued to rise and these were a challenge to the district.
- A premium could be avoided if an empty home was furnished as it then became classed as a second home.
- Changes to premiums on empty homes would come into effect from 1 April 2024, but premiums on second homes required a one-year notice applied, so this would not take effect until 2025.
- The impact of the additional premiums was to encourage homeowners to bring empty properties back into use and to revert second homes into primary residences.
- This was a balanced and fair strategy which would complement the Empty Homes Strategy.

The following Members asked questions:

- Councillor Ruth Brown
- Councillor Amy Allen

In response to questions, the Executive Member for Finance and IT advised that it was important to advise homeowners of the increases that would be implemented and to allow transition to change over a period of time.

In response to questions, the Revenues Manager advised that the Council had individual discretion in place which was used on a case-by-case basis and which would be applied in the event of a future pandemic.

Councillor Sean Prendergast advised that he welcomed the document as it both complimented and fed into the Empty Homes Strategy.

Councillor Ian Albert proposed and Councillor Sean Prendergast seconded and, following a vote, it was:

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**REASONS FOR DECISIONS:**

- (1) To support the principle of bringing unoccupied properties back into occupation in line with the proposed empty homes strategy. At the time of writing there are 43 properties that have been unoccupied for over five years.
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- (4) The Council does have the ability to revoke the decision in relation to Second Homes premium, during the year should any consultation that is carried out provide evidence that this would not be effective.