



## **North Devon Council**

Report Date: Monday, 6 January 2025

Topic: Council Tax Discounts and Premiums

Report by: Head of Customer Focus

### **1. INTRODUCTION**

1.1. This report seeks to confirm Council Tax Discounts and Premiums relating to certain properties for the financial year commencing 1 April 2025.

### **2. RECOMMENDATIONS**

2.1. That members recommend to Full Council that the following determinations are made in relation to the classes of dwellings as set out in the report below for the financial year commencing 1 April 2025.

### **3. REASONS FOR RECOMMENDATIONS**

3.1. Every year the Council is required to determine the level of Council Tax Discounts and Premiums relating to certain properties. This determination must be made by 31 March prior to the financial year in which it wants them to apply.

### **4. REPORT**

4.1. A large part of the Council Tax legislation is mandatory on all billing authorities within England. Discounts such as single person discounts, disregards and exemptions are set by statute with no discretion allowed.

4.2. However, there are a number of areas where each Council may determine the type and levels of charge to be made.

4.3.

The main discretionary areas are as follows:

- (a) Premises which are no-one's sole or main residence but are furnished (includes second homes);
- (b) Unoccupied and substantially unfurnished premises;
- (c) Unoccupied and substantially unfurnished premises which require or are undergoing structural repairs; and
- (d) Premiums where premises have been unoccupied and substantially unfurnished for a period of 1 year or more.

4.4 When determining its policy, each billing authority has to decide the level of charge (or discount) by the 31 March prior to the financial year in which it wants to introduce the changes.

4.5 The Council, is therefore required to determine the level of any discounts or premiums which will apply in its area and a decision is required to be made by full Council under Section 11A and 11B of the Local Government Finance Act 1992.

4.6 Once determined, the resolution of the Council will need to be published in at least one local newspaper(s) within 21 days of the decision.

The current situation

4.7 Currently for 2024/2025 the Council has adopted the following levels of discounts and premiums;

	Current policy
Class A (includes second homes) Dwellings which are no one's sole or main residence which are substantially furnished 28-day planning restriction <sup>1</sup>	0% discount / 0% premium
Class B (includes second homes) Dwellings which are no one's sole or main residence which are substantially furnished No planning restriction <sup>2</sup>	0% discount / 0% premium
Class C Dwellings which are unoccupied and substantially unfurnished (For the purpose of Class C, in considering whether a dwelling has been unoccupied for any period, any one period, not exceeding six weeks, during which it was occupied shall be disregarded)	100% discount for a period of three months.
Class D structural repairs Dwellings which are unoccupied and substantially unfurnished (Maximum 12 months)	0% discount
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings premium) After 1 year up to 5 years of becoming empty.	100% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty for 10 years or more	300% premium

<sup>1</sup> **restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days

<sup>2</sup> the occupation of which is **not restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year

Class D structural repairs Dwellings which are unoccupied and substantially unfurnished (Maximum 12 months)	0% discount
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings premium) After 2 years up to 5 years of becoming empty.	100% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty between 5 years and up to 10 years	200% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty for 10 years or more	300% premium

Introduction of premiums for second homes.

4.9 The Levelling up and Regeneration Act 2023 permits billing authorities to apply a premium to properties that have no residents and are “substantially furnished”. The maximum Council Tax charge in these cases is a 100% premium, making a total Council Tax charge of 200%. At least 12 months’ notice before the financial year to which it would apply must be given. Council agreed to the introduction of this new charge in February 2024 and it will now be introduced from 1 April 2025.

4.10 The government has introduced regulations to provide mandatory exceptions to the second homes premium, such as dwellings being actively marketed for sale or let (12 months limit) or where permanent occupation is prohibited. A full list of the exceptions, together with further guidance relating to the premium, can be found on the Government website Gov.uk. Some of these exceptions also apply to the empty homes premium. Relevant customers will receive details of these exceptions and how to apply for them with their Council Tax bill

4.11 To include the introduction of the premium for second homes the following discounts will apply for 2025/2026;

Class A (includes second homes) Dwellings which are no one's sole or main residence which are substantially furnished 28-day planning restriction <sup>3</sup>	0% discount / 0% premium
Class B (includes second homes) Dwellings which are no one's sole or main residence which are substantially furnished No planning restriction <sup>4</sup>	0% discount / 0% premium
Class C Dwellings which are unoccupied and substantially unfurnished (For the purpose of Class C, in considering whether a dwelling has been unoccupied for any period, any one period, not exceeding six weeks, during which it was occupied shall be disregarded)	100% discount for a period of three months.
Class D structural repairs Dwellings which are unoccupied and substantially unfurnished (Maximum 12 months)	0% discount
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings premium) After 1 year up to 5 years of becoming empty.	100% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty for 10 years or more	300% premium
Class D structural repairs Dwellings which are unoccupied and substantially unfurnished (Maximum 12 months)	0% discount
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings premium) After 2 years up to 5 years of becoming empty.	100% premium
Premium - Dwellings which are unoccupied and	200% premium

<sup>3</sup> **restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days

<sup>4</sup> the occupation of which is **not restricted** by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year

substantially unfurnished (Empty dwellings Premium) Dwellings empty between 5 years and up to 10 years	
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty for 10 years or more	300% premium
Premium- Dwellings which are unoccupied and furnished (second homes)	100% premium

## 5. RESOURCE IMPLICATIONS

5.1. There are no additional resource implications

## 6. EQUALITIES ASSESSMENT

6.1. [If your proposal has a potential positive or negative impact on people either internally or externally, please refer to the Equality Impact Assessment Guidance. You will need to complete the Equality Impact Assessment (EIA) available on Insite and upload it as an Appendix to this report. **Please include here a summary of the outcomes of the EIA.** If you consider that this proposal has no relevance to equalities and the protected characteristics, please record your reasons why you consider that it has no relevance.]

6.2. In recommending this proposal, no potential impact has been identified on people with protected characteristics as determined by the Equality Act 2010

## 7. ENVIRONMENTAL ASSESSMENT

7.1. Please undertake an Environmental Assessment and complete the checklist (EAC) form available on Insite. If there are no environmental implications arising from your proposals please state that there are none. If after completion of the assessment there are environmental implications please provide a brief summary. If you require any further information please contact the Sustainability and Climate Change Officer. Email completed EACs to [donna.sibley@torridge.gov.uk](mailto:donna.sibley@torridge.gov.uk)

There are no environmental implications as a result of proposals in this report.

## 8. CORPORATE PRIORITIES

8.1. What impact, positive or negative, does the subject of this report have on:

8.1.1. The commercialisation agenda: : the introduction of the premium for second homes will provide additional funding to the collection fund which



will be shared between the Council, the major precepting authorities and the local precepting authorities in line with their share of the Council Tax.

8.1.2. Improving customer focus and/or

8.1.3. Regeneration or economic development

## 9. CONSTITUTIONAL CONTEXT

9.1. Save as provided in paragraph 9.2 below, the decision in respect of the recommendations in this report can be made by this Committee pursuant to delegated powers provided in Part 3 Annex 1 paragraph 1 of the Constitution.

9.2. As noted in the report, the power to decide on one or more of the recommendations in this report is reserved to Council pursuant to Article 4.5.23 and as such the recommendation must be referred to Council to ratify.

## 10. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

## 11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report: (The background papers are available for inspection and kept by the author of the report).

The legislation that covers this report and the recommendations made is as follows:

- S11A, S11B & S11C of the Local Government Finance Act 1992
- Levelling Up and Regeneration Act 2023

## 12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers: Julie Dark. Revenues and Benefits Manager