

Title: Council Tax Second Home Premium
 Lead Officer: Paul Town paul.town@warwickdc.gov.uk 01926 456073
 Portfolio Holder: Councillor Chilvers
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	07/01/25	Cllr Chilvers
Finance	07/01/25	Andrew Rollins
Legal Services		N/A
Chief Executive	07/01/25	Chris Elliott
Director of Climate Change	07/01/25	Dave Barber
Head of Service(s)	07/01/25	Andrew Rollins
Section 151 Officer	07/01/25	Andrew Rollins
Monitoring Officer	07/01/25	Graham Leach
Leadership Co-ordination Group	20/1/2025	
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

This report seeks approval for the Warwick District Council policy for the Council Tax Second Homes Premium charge to go live from 1 April 2025. As part of the Levelling Up and Regeneration Act 2023, Local Authorities can amend how they charge Empty Property Premium charges (agreed and implemented in April 2024) and introduce a premium for furnished second homes from April 2025. The introduction of this new premium was agreed by Council in February 2024 as part of the General Fund Revenue and Capital Budget report, specifically section 1.12, for the charge to come into force from 1 April 2025.

Recommendation(s)

That Cabinet approves the policy that's attached (appendix 1) for Warwick District Council's, 'Council Tax Second Home Premium'.

1 Reasons for the Recommendation

- 1.1 The policy (Appendix 1) sets out that Warwick District Council will charge an additional 100% premium on the Council Tax of applicable furnished second homes in the district, these are essentially homes not occupied but kept furnished as 'second homes' by their owners, not rented out, just used by the owners as holiday homes etc. The policy also details where discretionary relief may be applied under exceptional circumstances.
- 1.2 It is anticipated that the introduction of this premium charge will impact approximately 400 properties and increase the Council Tax received by Warwick District Council as the collecting authority by approximately £700k, which would be distributed amongst the preceptors in the normal way but providing Warwick District Council with a forecasted £57k per annum.
- 1.3 The policy has been written in conjunction with the Government guidelines and takes account of the newly implemented exceptions to this premium as provided by Government.

2 Alternative Options

- 2.1 I believe the alternative would be to make amendments to the policy as it is presented as the implementation of this scheme was approved by Council in February 2024.

3 Legal Implications

- 3.1 There are no legal implications in this scheme.

4 Financial Services

- 4.1 There are no costs to the Council in launching this scheme, the required amendments to the Council Tax system will be undertaken by the team and the system allows us to automatically charge the premium on the relevant cases.
- 4.2 The implementation of the scheme should see a forecasted increase of retainable Council Tax for Warwick District Council of £57k per annum.

5 Corporate Strategy

- 5.1 Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation.

5.2 Delivering valued, sustainable services – The implementation of this policy will encourage some owners of second homes to reconsider their ownership and has potential to increase the number of available rental properties within the district.

5.3 Low cost, low carbon energy across the district – N/A

5.4 Creating vibrant, safe and healthy communities of the future – N/A

6 Environmental/Climate Change Implications

6.1 There are no direct environmental or climate change implications arising as part of this report.

7 Analysis of the effects on Equality

7.1 Equality Impact Initial Screening document completed and attached (appendix 2)

8 Data Protection

8.1 The Revenues team already hold this data as there is nothing additional required to what is already captured for the administration of Council Tax.

9 Health and Wellbeing

9.1 There are no direct health and wellbeing implications arising as part of this report.

10 Risk Assessment

10.1 Some owners of furnished second homes will not be happy about paying the Council Tax premium, which may lead to a short term higher level of queries for the Revenues Team.

10.2 If we don't go ahead with the proposed policy, Warwick District Council, along with the other preceptors, will lose out on any forecasted additional income and the incentive for owners of furnished second homes to sell or let them back into the market will be removed.

11 Consultation

11.1 The Government undertook consultation around which cases should be exceptions from this premium charge and the finalised guidance has been incorporated into the report presented.

Background papers:

General Fund Revenue and Capital Budget 2024/25 Cabinet report 08/02/2024

Government guidance on the implementation of the Council Tax premiums on long-term empty homes and second homes

<https://www.legislation.gov.uk/ukpga/1992/14/section/11C>

Supporting documents:

Appendix 1 – Council Tax Second Homes Policy

Appendix 2 – CTax Second Homes Premium – Initial Equality Impact Screening Assessment