



WARWICK DISTRICT COUNCIL LOGO 1

Council Tax second homes premium policy

INTRODUCTION

On 26 October 2023 the Levelling up and Regeneration bill received Royal Assent. This enabled Councils to charge a council tax premium for properties that are used as second homes from 1 April 2025.

At a meeting of the Council on 21 February 2024, Warwick District Council formally agreed to adopt changes to the Second Homes Premium as set by the Government.

Warwick District Council gave notice of their determination in the local press on 8th March 2024.

Sections 11B and 11C of the 1992 Act enables councils in England to disapply the section 11(2)(a) discount which may otherwise apply to long-term empty homes and second homes and apply additional council tax (commonly called a premium).

The 1992 Act was amended through the Levelling-up and Regeneration Act 2023 ("the 2023 Act") so that councils can apply a premium on homes which have been empty for 1 or more years from 1 April 2024. The 2023 Act also introduced new powers for councils to charge premiums on second homes from 1 April 2025 (provided that the conditions set out in section 11C of the 1992 Act apply).

Councils have the discretion to decide whether to introduce a premium in their local area or parts of the area for second homes. They also have the discretion to decide on the level of the premium, up to the maximum statutory threshold.

This will see owners of furnished second homes in Warwick District (which does not meet one of the published exceptions) having a Council Tax premium of 100% applied to their bill.

EXCEPTIONS TO THE PREMIUM FOR SECOND HOMES

MANDATORY EXCEPTIONS

Regulations were laid before Parliament on 8th October 2024 and came into force from 1st November 2024 which provides mandatory exceptions to the long term empty homes premium. These exceptions will come into effect from 1st April 2025.

The classes of property which will not attract a second home premium charge are:

- A dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation
- Annexes forming part of, or being treated as part of, the main dwelling
- Job related dwellings
- Occupied caravan pitches and boat moorings

- Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously

The classes of property which will not attract a long term premium charge until 12 months have passed are:

- Dwellings being actively marketed for sale – the premium will not be applied for a period of up to 12 months after the date the property was first marketed for sale. The exception will end either when the 12-month period has ended, when the dwelling has been sold or when the dwelling is no longer actively marketed for sale. The same owner may only make use of the exception for a particular dwelling marketed for sale once. The exception may be used again for the same dwelling if it has been sold and has a new owner.
- Dwellings being actively marketed for let– the premium will not be applied for a period of up to 12 months after the date the property was first marketed for let. The exception will end either when the 12-month period has ended, when the dwelling has been let or when the dwelling is no longer actively marketed for let. The same owner may make use of the exception for dwellings marketed for let multiple times, however, only after the dwellings has been let for a continuous period of at least 6 months since the exception last applied.
- Unoccupied dwellings that were previously receiving an exemption whilst awaiting probate or during the 6 months after probate being granted. In this situation the premium will only be applied once 12 months has been passed since the date of the grant of probate

DISCRETIONARY EXCEPTIONS

Councils have the power, through section 13a of the Local Government Finance Act 1992, to provide a discount for households where they consider this appropriate.

Warwick District Council may consider applications for the premium to be extended above the mandatory exception or removed for a set amount of time whereby a customer's circumstances do not meet the mandatory exceptions listed above, but where the payment of a premium charge may cause financial hardship. Each application will be considered on its own merits on receipt of a fully completed application form, which can be found on Warwick District Council's website.

APPEALS

Under the Local Government Finance Act 1992 any aggrieved person is able to submit a formal appeal to the Valuation Tribunal Service if they believe they should have been awarded a discount or premium exception and they have not.

However, in the first instance the Council will accept a taxpayer's request for a reconsideration of a decision where the Council has not awarded a mandatory or

discretionary exception or where the tax payer feels the award should be increased.

Requests for reconsideration should be:

- Made in writing to the Warwick District Council's Council Tax department or via email to ctax-recovery@warwickdc.gov.uk
- Received within **21 days** of receipt of the initial decision for the discretionary relief
- Signed (or digitally signed on an email) by the applicant or their authorised representative
- Include full reasons for the reconsideration request.

The Revenues and Recovery manager will consider each reconsideration request based on the information provided and will write to the council tax payer to confirm the outcome of their request.

If the reconsideration is not successful, the Revenues and Recovery Manager will explain the decision in full and provide details of how to submit an appeal to the Valuation Tribunal Service.

OVERPAYMENTS

If the Council becomes aware that the information contained in an application for a mandatory or discretionary premium exception award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application. Where this is the case, the award will be removed from the relevant council tax account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such amounts.

FRAUD

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a discount or exception might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate, and this could result in criminal proceedings.

EQUALITIES STATEMENT

Warwick District Council is committed to equality and fairness. Equality is about ensuring that people are treated fairly, given fair chances and to ensure equality of opportunity for all within the district; especially equality of access to the services we provide across different members of our communities. It is also about ensuring that people receive fair outcomes in the standard of service they receive from the Council. This incorporates everyone, regardless of their race, gender, age religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

POLICY REVIEW

The policy will be reviewed annually, or sooner if appropriate, to take account of operational adjustments and or changes to legislation.

TRANSPARENCY

Once a year, we will publish data for the previous financial year, containing the number of properties that have been charged the premium, the amount which has been raised by the premium and how the funding from the premium has been used locally.