

**Blaby District Council
Council**

Date of Meeting	27 January 2026
Title of Report	Council Tax – Second Home Premium and Empty Property Premium amendments
	This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Cheryl Cashmore - Finance, People and Transformation (Deputy Leader)
Report Author	Finance Group Manager
Strategic Themes	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

1. What is this report about?

- 1.1 The Levelling Up and Regeneration Act 2023 gives Local Authorities the option to include a council tax premium on properties which are occupied periodically (second homes) and a reduction from two years to one year before an empty home premium is applied
- 1.2 To seek approval to introduce further premiums to long term empty homes from 1st April 2026.

2. Recommendation(s) to Council

- 2.1 To increase Council Tax for all properties which are occupied periodically by 100% from 1 April 2026 subject to any exemptions set out the Local Government Finance Act 1992.
- 2.2 To increase the Council Tax empty homes premium to 100% for properties empty for between one and five years (currently over 2 years) from 1 April 2026 subject to any exemptions set out in the Local Government Finance Act 1992 and guidance.
- 2.3 To increase the Council Tax empty homes premium to 200% for properties empty for between five years and ten years from 1 April 2026 subject to any exemptions set out in the Local Government Finance Act 1992 and guidance.

2.4 To increase the Council Tax empty homes premium to 300% for properties empty over ten years from 1 April 2026 subject to any exemptions set out in Local Government Finance Act 1992 and guidance.

3. Reason for Decisions Recommended

3.1 The purpose of changing the Empty Homes Premium for long-term empty properties is to provide owners with a further incentive to bring empty homes back into use, thus supporting the aims of the Council's Empty Homes Enforcement Strategy as well as generating additional Council Tax income. The current Empty Homes Premium that is applied by the Council is 100% for properties that have been empty for 2 years and over.

3.2 The purpose of the Second Home Premium is to close the loophole where furnishing an empty property negates the Empty Home Premium charge as well as generating additional Council Tax income.
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4. Matters to consider

4.1 Background

For Council Tax purposes second homes are properties that are furnished but where no-one lives as their main residence. Council Tax is charged at the standard 100% charge, in line with the property council tax band. The Levelling Up and Regeneration Act 2023, inserts a new Section 11C of The Local Government Finance Act 1992, to enable Billing Authorities to determine a higher amount for properties occupied periodically (second homes) of up to an additional 100%. The conditions are:

- There is no resident of the property and
- The property is substantially furnished.

There is no legal definition for what constitutes substantially furnished. In any disputed cases we will always visit and make an assessment.

With increased pressure to find housing for people in need the Council wants to encourage homeowners to bring homes into use to the benefit of all residents.

The Local Government Finance Act 1992 (as amended) section 11C subsection (3) legislates that any Billing Authority wishing to implement the discretionary second home premium charge must make a Council resolution

confirming its requirements at least one year before the beginning of the financial year to which it relates, hence the request for the approval to increase Council Tax on second homes at the Cabinet Executive meeting in January 2025.

A billing authority that wishes to vary a determination relating to the Empty Homes Premium must do so before the beginning of the financial year under Section 11B of the Local Government Finance Act 1992 (as amended) subsection (5).

Any additional income generated would be shared across local Parish Councils, Leicestershire County Council, the Office of the Police and Crime Commissioner and Combined Fire Authorities as all other Revenue from Council Tax. The additional income generated that is attributable to Blaby District Council is not estimated to be a significant sum given a number of properties have already reached the time threshold for the 100% premium to be paid.

The Council made its first determination to charge a Second Homes and Empty Properties premium in January 2025. The recommendation was approved by Cabinet Executive on 13th January 2025 and following this a notice of determination was published in line with Government Legislation.

A Consultation for the proposed changes to the Council Tax Premium was undertaken between 18th November 2024 and 6th January 2025. A total of 220 consultation forms were completed during this time. The outcome of the Consultation is attached at Appendix A.

In October 2025 we wrote to all those that will be impacted by the increase, and the information added to the Council website.

An Equality Impact and Needs Assessment has also been carried out.

4.2 Proposal(s)

It is proposed that the following Empty Homes Premiums are approved for introduction from 1st April 2026:

- 100% additional Empty Homes Premium on properties which are empty for more than one year but less than five years.
- 200% additional Empty Homes Premium on properties which are empty for more than five years but less than ten years.
- 300% additional Empty Homes Premium on properties which are empty for more than 10 years.

In addition to this it is also proposed that Council Tax for all properties which are occupied periodically (Second Homes) is increased by 100% approved

for introduction from 1st April 2026 subject to any exemptions set out in Regulations.

4.3

Relevant Consultations

Attached at Appendix A.

4.4 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

5. Environmental impact

5.1 There is no direct environmental impact arising from this report. However, the Council continues to utilise sustainable investment opportunities in line with its approved investment criteria.

No Net Zero and Climate Impact Assessment (NZCIA) is required for this report.

6. What will it cost and are there opportunities for savings?

6.1 The Council have the software to enable the billing amendments to take place without incurring further costs.

7. What are the risks and how can they be reduced?

7.1

Current Risk	Actions to reduce the risks
If it becomes difficult to collect the higher council tax or owners use tactics to avoid the premium then the additional income, even after the exemptions, may not be fully realised	Officers will monitor the collection of the Council Tax Premiums and take measures to collect the outstanding debt.
If owners continue to leave properties empty or as second homes the number of properties in these categories will not reduce and will not come back into use.	Officers will continue to monitor the situation and look at alternative measures to encourage properties to be brought back into use.

8. Other options considered

8.1 The alternative considered was to keep the empty home premium at its current level and not to introduce the second home premium but given the priority to increase the availability of affordable housing in the district this would not help

to utilise this measure to encourage owners to bring properties back into occupation.

9. Appendix

9.1 Council Tax Second Home Premium and Empty Property Premium consultation - Appendix A (to follow)

10. Background paper(s)

- 10.1 [The Levelling Up and Regeneration Act 2023](#) – Chapter 2 Section 79 and 80
- 10.2 [The Local Government Finance Act 1992 Section 11B](#) (1C)
- 10.3 [The Local Government Finance Act 1992 Section 11C](#)
- 10.4 Equalities Impact Needs Assessment (EINA)
- 10.5 Cabinet Executive Report 13 January 2025 :Council Tax – Second Home Premium and Empty Property Premium amendments

11. Report author's contact details