



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

**Council Tax Second Homes Premiums (Sections 11B and 11C of Local Government Finance Act 1992 and Council Tax (Prescribes Classes of Dwellings and Consequential Amendments) (England) Regulations 2024**

# Council Tax Second Homes Premiums

**Version Control:**

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**Legislative information:**

[Local Government Finance Act 1992](#)

[The Council Tax \(Prescribed Classes of Dwellings and Consequential Amendments\) \(England\) Regulations 2024](#)

<b>Table of Contents</b>		<b>Page number</b>
1.	Background	3
2.	New applications	4
3.	Implications of raising a premium	4
4.	General principles	4
5.	Exception Categories	5
6.	Exception Categories in detail	6-8
7.	Appeals	8
8.	Income from Council Tax Second Homes	8
9.	Fraud	8



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## 1. Background

Sections 11B and 11C of the Local Government Finance Act 1992 enables Councils to disapply a discount which may otherwise apply to either a long-term empty home and second homes and apply additional Council Tax (commonly called a “Premium”).

The 1992 Act was amended through Section 80 of the Levelling-up and Regeneration Act 2023 so that Councils can apply a premium charge on second homes from 1 April 2025 (provided that the conditions set out in Section 11C of the 1992 Act Apply).

The introduction of the second home exceptions and premium is a measure which was included in the Levelling Up & Regeneration Bill to allow councils the ability to charge a council tax premium of up to 100% for any property left empty for more than 72 days a year. The bill received Royal Assent on 26 October 2023, and was incorporated within the Levelling-up and Regeneration Act 2023: <https://bills.parliament.uk/bills/3155/stages>

The Council adopted a recommendation on 25 January 2024 to raise an additional premium of 100% on Second Homes from 1 April 2025. There was a requirement that we gave residents one year notice of this change and that must have been before 1 April 2024

Initial letters were issued to homeowners on 22 March 2024.

After consultation, the Government introduced The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 and that came into force on 1 November 2024. This prescribes certain classes of dwelling which may not be subject to a Second Homes Premium. The prescribed exceptions are detailed later in this document.

From 26 November 2024, the Council issued letters to homeowners together with an application form to explain the new exceptions and inviting them to apply for one or more of the exceptions that might apply to them. The deadline for applications was Friday 13 December 2024.

Once established that the exception applies, then a 100% Second Homes Premium will not be raised. Plus, the Account continues to receive a Council Tax discount of 10% (or in some cases 50%).

If an exception does not apply, or the homeowner fails to complete an application, then the 10% (or 50%) discount ends on 31 March 2025 and a 100% Premium will be raised.



**Council Tax Second Homes Premiums (Sections 11B and 11C of Local Government Finance Act 1992 and Council Tax (Prescribes Classes of Dwellings and Consequential Amendments) (England) Regulations 2024**

## **2. New applications**

For any accounts set up as second homes, we will initially charge 100% Council Tax and write to the customer with the Bill, giving them the opportunity of applying for an exception against the Second Home Premium.

If the customer responds within 28 days, we will review their application in line with the exception categories.

If there is no response within 28 days, we will apply the Second Homes Premium to the account and the customer will be sent a Bill for 200% Council Tax.

If the criteria are met for one of the exception categories, then 10% discount (or in some cases 50%) will be applied to the account and no premium will be applied.

## **3. Implications of raising a premium**

The Council Tax charge raised will go from a 90% charge (or in some cases a 50% charge) to a 200% Council Tax charge from 1 April 2025.

This will commence as part of the Annual Billing process for 2025-26 and will continue to be raised at any date afterwards once the 1 year Second Homes discount limit has been reached. Homeowners will then have the opportunity of applying for one of the exceptions.

## **4. General Principles**

South Kesteven District Council will: -

- consider each application for an exception upon its own merits.
- be objective.
- have regard to Central Government guidance
- deal with any applications in a timely manner, where possible.



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**5. Exception Categories**

The Secretary of State has powers under Section 11B and 11D of the 1992 Act to prescribe through regulations certain classes of dwelling which may not be made subject to a premium.

The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 prescribed these exceptions as follows:

Class E	Dwelling which is or would be someone's sole of main residence if they were not residing in job-related armed forces accommodation
Class F	Annexes forming part of, or being treated as part of, the main dwelling
Class G	Dwellings being actively marketed for sale (12 months limit)
Class H	Dwellings being actively marketed for let (12 months limit)
Class I	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
Class J	Job-related dwellings
Class K	Occupied caravan pitches and boat moorings
Class L	Seasonal Homes where year-round permanent occupation is prohibited, specific use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously

In addition to the above prescribed exceptions, South Kesteven District Council will also consider applications for exceptions for other reasons not laid out in these categories. These exceptions will be considered as part of the annual Council Tax Support Scheme policy consultation. The outcome of the consultation and design of a final scheme will be determined by Council each January for the forthcoming year.

Applications, unless otherwise stated on the application form, must be submitted together with documentary evidence as laid out in the application form. If no documentation is submitted with the application, South Kesteven District Council can dismiss the application.



**Council Tax Second Homes Premiums (Sections 11B and 11C of Local Government Finance Act 1992 and Council Tax (Prescribes Classes of Dwellings and Consequential Amendments) (England) Regulations 2024**

**6. Exception categories in detail**

The below outlines additional information on some of these categories:

**Class E and F Annexes and military accommodation**

Two mandatory exceptions:

- A dwelling which is or would be the sole or main residence of a member of the armed services, who has been provided with a dwelling as a result of such service
- A dwelling which forms part of a single property as part of their sole or main residence.

**Class J Job Related dwellings**

Generally, a dwelling would be classed as a job-related dwelling where it is a dwelling provided by a person's employer for the purposes of this exception. Examples include headteachers for boarding schools who are required to live in school accommodation, or certain care workers who need to live on site to carry out their role.

**Class I Probate**

There is an existing Council Tax Class F exemption for dwellings undergoing probate. When a dwelling had been left empty following the death of its owner or occupant, it is exempt from Council Tax as long as it remains unoccupied and until probate is granted. Following a grant of probate (or the issue of letters of administration), a further 6 months exemption is possible as long as the dwelling had not been transferred by the executors of administrators to the beneficiaries or sold to anyone else.

Following a grant of probate the owners of the dwelling may require further time to decide how they will manage the home or sell it. The Regulations provide for a 12-month exception to the premium. The 12-month period begins from the point probate is granted or letters of administration have been issued. This runs concurrently with the 6-month exemption.

This exception will run for 12 months or until the dwelling had changed ownership by being sold.



**Council Tax Second Homes Premiums (Sections 11B and 11C of Local Government Finance Act 1992 and Council Tax (Prescribes Classes of Dwellings and Consequential Amendments) (England) Regulations 2024**

**Class G and Class H**

This exception can apply for up to 12 months from the point from which the dwelling has first been marketed for sale or let. The exception will end either when the 12 months period has ended, when the dwelling has been sold or let or when the dwelling is no longer actively marketed for sale or let. The following conditions will apply to this exception:

- The same owner may only make use of the exception for a particular dwelling once
- The exception may be used again for the same dwelling if it has been sold and has a new owner
- 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.

South Kesteven will take into account the following factors when assessing whether a dwelling is being actively marketed for sale or let and may include:

- Whether the dwelling is clearly advertised for sale or let
- Whether the dwelling is being marketed at a fair market value
- Whether there are any artificial barriers on the dwelling preventing sale or let
- Whether the dwelling has an Energy Performance Certificate (EPC)
- Whether the owner is taking any other reasonable steps to market dwelling for sale or let

At the end of the 12 months period, South Kesteven may wish to consider specific circumstances of the owners and whether to use their discretionary powers to extend the exception.

**Class L Seasonal Homes**

South Kesteven recognises in some cases certain dwellings may have restrictions on them which means they the dwelling could not reasonably be occupied as a permanent residence.

South Kesteven's position is that it is right that these dwellings should not be subject to a premium when these dwellings could not be used as a permanent residence.

In applying this exception, we will consider whether there are any planning restrictions which explicitly set out that the dwelling cannot be used as a main residence. For example, where



**Council Tax Second Homes Premiums (Sections 11B and 11C of Local Government Finance Act 1992 and Council Tax (Prescribes Classes of Dwellings and Consequential Amendments) (England) Regulations 2024**

this is purpose-built holiday accommodation which can only be used as holiday accommodation.

In addition, this exception provides for dwellings which have planning restrictions whereby they cannot be occupied for at least 28 continuous days in a year. In some cases, South Kesteven may assess a dwelling with this restriction as being a person's sole or main residence. Where this is the case, the dwelling would not be liable for the premium since this cannot apply to a main residence.

## **7. Appeals**

Anyone who believes they have been inappropriately charged a premium on their dwelling should in the first instance contact the Council outlining the reasons and providing supporting evidence, making it clear they wish to appeal the decision.

If the appeal is rejected then an appeal can be made to the Valuation Tribunal.

## **8. Income from Council Tax Second Homes Premiums**

As with all Council Tax income, income received by Council Tax Premiums is fully retained by Local Councils and precepting authorities. This income is not ringfenced and it is up to Local Councils to determine how best to use the income raised to address issues within its local areas.

## **9. Fraud**

We are committed to the fight against fraud. If we become aware that any information provided in connection with an application is incorrect or that relevant information was not declared then we may seek to apply the premium.

The value of premium will be the subject of normal methods of collection and recovery. Any suspicion that a fraudulent act has been committed may lead to criminal proceedings.