AGENDA ITEM 6b

Exceptions to the Empty and Unfurnished Properties and Second Homes Council Tax Premium

The following is taken from the Durham County Council Lets Talk Website:

We are considering making changes to our Section 13A policy which provides discretionary exemptions to the Council Tax premium on empty and unfurnished properties and second homes. This is over and above what the Government provides.

Background

In 2023, as part of its Levelling-up and Regeneration Bill, the Government introduced a law which allows local councils to charge higher Council Tax on properties that are defined as long term empty homes and ones that are only occupied occasionally (second homes). This is called the Long Term Empty Property and Second Home Council Tax Premium.

For homes which have been empty and unfurnished for more than one year this premium can be between 100% and 300% depending on how long the property has been empty and for second homes it is 100%.

The government recognised though, that it may not be appropriate for these Council Tax premiums to apply in some circumstances, so it set some mandatory exceptions.

You can view more detailed information about the premium, and circumstances where an exception might be made, on our Long Term Empty Property and Second Home Council Tax Premium page. We have no powers to change the Government's exceptions.

In all circumstances the owner is still liable for 100% Council Tax on the property.

Additional exceptions

In addition to the mandatory exceptions, we have local powers to add to these exceptions. This is to support owners who have:

- properties that might be proving difficult to sell or rent due to local market conditions,
- properties in need of renovation,
- properties where owners are experiencing legal or technical issues such as probate or planning,
- second homes which are periodically occupied in certain job-related circumstances, or are a pitch occupied by a caravan, or a mooring occupied by a boat,
- and properties being kept empty as part of a regeneration scheme.

We outline the additional relief in our Section 13A policy. **It is this policy that we are considering changing.**

Why are we considering the changes?

Currently our Section 13A policy does not set any time limit on exceptions over and above those set by the Government. So, if a property owner can provide appropriate evidence, they can continue to access the Section 13A relief.

As part of budget setting, we are looking at various savings opportunities. Changes to the Section 13A policy, could contribute additional income to reduce the savings we need to make, whilst also further helping bring properties back into use.

The discretionary relief we apply through the Section 13A policy is above that offered by other local councils, with the few councils that do provide relief, doing so for a limited time period.

As of 31 July 2025, the owners of 343 long-term empty homes and 16 second homes were receiving relief totalling £827,272 over and above the Government's exceptions.

Options being considered

We are considering the following changes to the policy from 1 April 2026 and would like your views on these options.

Option 1: Fully align the existing Section 13A policy with the Government regulations

This option would see the local discretion removed and our reduction scheme being fully aligned to the Government regulations. This approach would:

- simplify the support available making it easier for residents to understand,
- simplify the administration of support,
- promote properties being brought back into productive use at the earliest opportunity.

Option 2: Introduce a 12 month time limit cap to our Section 13A policy

This would see the current local discretion retained but the Section 13A policy would limit the time the relief could be in place for. It is proposed that this discretionary time limit be an additional 12 months in the circumstances outlined above, allowing 24 months of support from the council tax premium charge (36 months from the date of first becoming empty and unfurnished).

Option 3: No changes to the current Section 13A policy

This would see the Section 13A policy remaining as it is with no cap on the amount of time a discretion from the premium charge is available for those properties classed as empty properties or second homes.

To note, any Section 13A awards are always intended as short-term assistance only and can be subject to reviews being carried out throughout the financial year in which they have been applied and are subject to an annual review. In all circumstances the liable person remains subject to a 100% Council Tax charge for the property.

For more information about the Section 13A policy, please read the Cabinet report 17 September, Agenda Item 5 .

Link to the website:

https://letstalkcountydurham.co.uk/en-GB/projects/council-tax-reductions-local-discretionary-section-13a-scheme