

Appendix M: Second Home Council Tax Premium Report 2025/26

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Summary

- 1.1 Making best use of existing homes is a key action in the Council's Housing Strategy. To maximise home occupation within the district, the council approved proposals in February 2024 to give notice of its intention to charge a council tax premium on second homes from 1 April 2025.
- 1.2 As set out in this report, the council must now decide whether to adopt this decision and implement a 100% premium on second homes under the Levelling-up and Regeneration Act 2023.

Recommendations

- 2.1 That Council approves the implementation of a second homes council tax premium of 100% from 1 April 2025.

Financial Implications

- 3.1 There are currently 180 properties that have been identified as second homes within the Uttlesford District and these along with their expected additional Council Tax income are analysed out by Band D equivalents in Table 1:

Table 1:

Band	Number	Current Band D Equivalent		Current Council Tax 2024/25		Proposed Council Tax 2025/26
		UDC	Preceptors	UDC	Preceptors	UDC
A	22	£117.83	£1,432.64	£2,592	£31,518	£2,670
B	13	£137.46	£1,671.41	£1,787	£21,728	£1,840
C	45	£157.10	£1,910.19	£7,070	£85,959	£7,281
D	30	£176.74	£2,148.96	£5,302	£64,469	£5,461
E	25	£216.02	£2,626.51	£5,400	£65,663	£5,562
F	22	£255.29	£3,104.05	£5,616	£68,289	£5,784
G	18	£294.57	£3,581.60	£5,302	£64,469	£5,461
H	5	£353.48	£4,297.92	£1,767	£21,490	£1,820
	180			£34,837	£423,584	£35,879

3.2 The above table shows that Uttlesford District Council could potentially receive an additional £35,879 by implementing this discretionary charge in the 2025/26 financial year.

3.3 Based on 2024/25 Council Tax, the preceptors could potentially earn another £389k collectively. Once the final precept figures are confirmed the 2025/26 estimate will be added to the report.

Background Papers

4.1 The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

4.2 Paragraph 13 of Appendix H of Medium-Term Financial Strategy and 2024/25 Budget Proposals report to Council, 20 February 2024.

Impact

5.1

Communication/Consultation	Press release issued 14 March 2024 confirming the council's intention to implement from 1 April 2025.
Community Safety	None identified
Equalities	None identified
Health and Safety	None identified
Human Rights/Legal Implications	None other than compliance with The 1992 Act was amended through the Levelling-up and Regeneration Act 2023 ("the 2023 Act").
Sustainability	Maximising revenue streams contributes towards the overall financial sustainability of the Council.
Ward-specific impacts	None identified
Workforce/Workplace	None identified

Situation

6.1 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 on long-term empty homes and second homes. They also have the discretion to decide on the level of the premium, up to the maximum statutory threshold. A council must make its first determination to charge a second homes premium at least 1 year before the financial year to which it will apply. Where a determination to charge a premium is made, councils must publish a notice of the determination in at least 1 newspaper circulating in its area within 21 days of the date of the determination

- 6.2 The Council determined to charge a second homes council tax premium of 100% (200% of the band D equivalent charge) on 20 February 2024 and published a notice of the determination by way of press release on 14 March 2024 so is in a position to implement this from 1 April 2025.

Risk Analysis

1.

Risk	Likelihood	Impact	Mitigating actions
Negative reaction of Council Tax Payers affected	2	1	Notice of the determination already published with around a year's notice.
Lower Council Tax Collection Rate	2	1	Would only directly affect premium Council Tax collection rate. Existing Council Tax collection rate unlikely to be affected.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.