

# Council Tax Premium Policy Test Valley Borough Council

Version 1  
March 2025

## 1 Background

- 1.1 Legislation was introduced in 2013 which allowed local authorities to charge a 50% Council Tax premium on dwellings which had been unoccupied and substantially unfurnished for more than two years.
- 1.2 In 2018, legislation was introduced which allowed local authorities to increase the premium charged for long-term empty dwellings.
- 1.3 The Local Government Finance Act 1992 was updated by the Levelling-Up and Regeneration Act 2023. This set out changes to the way that existing premiums are administered and introduced a new premium in respect of dwellings commonly referred to as 'second homes'.

## 2 Definition of Long-Term Empty Dwellings

- 2.1 A long-term empty dwelling is defined as every dwelling within the Test Valley Borough Council area which is both unoccupied and substantially unfurnished for a continuous period of at least one year.
- 2.2 If a long-term empty dwelling becomes occupied or substantially furnished, it must remain so for a continuous period of at least six weeks in order to reset the length of time it has been empty for.
- 2.3 If a long-term empty property becomes substantially furnished in accordance with paragraph 2.2, but does not become someone's sole or main residence, the property will be treated as a second home from the date that it was previously considered as empty and unfurnished.

## 3 Definition of Second Homes

- 3.1 A second home is defined as every dwelling within the Test Valley Borough Council area which is no-one's sole or main residence and has been substantially furnished for a continuous period of at least one year.

## 4 Council Tax Premiums

### Premiums in respect of Long-Term Empty Dwellings

- 4.1 For the financial years beginning on or after 1 April 2026, the Council Tax premiums to be charged in respect of Long-Term Empty Dwellings are as follows:

<b>Unoccupied and substantially unfurnished...</b>	<b>Council Tax Premium</b>
Between 1 and 5 years	100%
Between 5 and 10 years	200%
For more than 10 years	300%

4.2 A dwelling that is exempt from Council Tax is not liable for a premium. However, where a dwelling is no longer eligible for an exemption but continues to remain unoccupied and unfurnished, it will become liable for a premium after a continuous period of 1 year. This time frame begins when the dwelling first becomes empty rather than when the exemption ends.

4.3 There are exceptions to Long-Term Empty premiums as set out in Section 5.

#### Premiums in respect of Second Homes

4.4 For the financial years beginning on or after 1 April 2026, the Council Tax premium to be charged in respect of Second homes is as follows:

<b>No-one's sole or main residence and substantially furnished...</b>	<b>Council Tax Premium</b>
For more than 1 year	100%

4.5 A dwelling that is exempt from Council Tax is not liable for a premium. However, where a dwelling is no longer eligible for an exemption but continues to remain no-one's sole or main residence and is substantially furnished, it will become liable for a premium after a continuous period of 1 year. This time frame begins when the dwelling first becomes a second home rather than when the exemption ends.

4.6 There are exceptions to the Second Home premium as set out in Section 5.

## **5 Exceptions to the Premium**

5.1 The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 sets out nine classes of dwellings in relation to which billing authorities may not charge a premium.

5.2 These classes of dwellings are summarised in the table below:

<b>Class</b>	<b>Application</b>	<b>Definition</b>
Class E	Long-term empty homes and second homes	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation.
Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of, the main dwelling.
Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale (12 months limit).

Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit).
Class I	Long-term empty homes and second homes	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	Second homes only	Job-related dwellings.
Class K	Second homes only	Occupied caravan pitches and boat moorings.
Class L	Second homes only	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.
Class M	Long-term empty home only	Empty dwellings requiring or undergoing major repairs or structural alterations (12 months limit).

## 6 Right of Appeal

6.1 If a Council Taxpayer believes they have been inappropriately charged a premium on their dwelling, they have the right to appeal the Council's decision.

6.2 In the first instance, Council Taxpayers should contact the Council in writing and request that the decision is reviewed. The Council can be contacted by emailing [counciltax@testvalley.gov.uk](mailto:counciltax@testvalley.gov.uk) or writing to the following address:

Finance & Revenues Service, Beech Hurst, Weyhill Road, Andover SP10 3AJ

6.3 The Council will review the decision. If the decision remains unchanged, the Taxpayer has the right to appeal to the Valuation Tribunal. This must be done within two months of the Council's decision. Further information on how to appeal to the Valuation Tribunal may be found on their website at [www.valuationtribunal.gov.uk](http://www.valuationtribunal.gov.uk)