

North East Derbyshire District Council

Council

26 January 2026

Implementation of a Council Tax Premium for Empty Homes

Report of Councillor J Birkin, Portfolio Holder for Council Services

Classification: This report is public

Report By: **Lee Pepper – Assistant Director – Communities**

Contact Officer: **Lee Pepper**

PURPOSE / SUMMARY

For Council to approve a revised policy, proposing an increase to the Council Tax premium charge for empty homes.

DECISION ROUTE AND REASON FOR DECISION BEING BROUGHT TO COUNCIL

The decision is a Council decision and only the Council can determine the matter.

RECOMMENDATIONS

1. That Council approves the revised Council Tax Empty Homes Premium Policy encompassing the implementation of an increased empty homes premium to commence from 1 April 2026.

Approved by the Portfolio Holder – Cllr J Birkin, Portfolio Holder for Council Services

IMPLICATIONS

Finance and Risk: Yes No

Details:

The Council currently charges an additional Council Tax premium of 100% for long term empty properties. If the new charge is supported, the proposal is for a total 200% charge to become payable after a property has been empty for 2 to 5 years, 300% from 5 to 10 years, and 400% for 10 years or more.

There are currently 196 properties within the district that meet this proposed threshold. Depending on the uncertainty of collection rates, it is estimated that the increase will generate an estimated increased amount of £267,655 which means an additional £26,765 for NEDDC, assuming that it is all collected.

There is risk associated with this estimate as collection of the additional premium may prove challenging.

The new premium will have financial implications for the Council's empty HRA stock. However, we currently have a very low number of empty Council owned homes. In addition, there is a strong focus on estate regeneration and asset disposal which will mitigate any cost impact.

On Behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

N/A

On Behalf of the Solicitor to the Council

Staffing: Yes No

Details: This will be included within existing officer workloads.

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £125,000 <input type="checkbox"/> Capital - £310,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	All

Equality Impact Assessment (EIA) details:	
Stage 1 screening undertaken <ul style="list-style-type: none"> Completed EIA stage 1 to be appended if not required to do a stage 2 	Yes, superseded by stage 2
Stage 2 full assessment undertaken <ul style="list-style-type: none"> Completed EIA stage 2 needs to be appended to the report 	Yes, appended.
Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details:

Links to Council Plan priorities, including Climate Change, Economic and Health implications.
Develop and improve the quality of housing providing a nice home and area for all residents to meet all needs

REPORT DETAILS

1 Background (reasons for bringing the report)

- 1.1 Most Councils in Derbyshire charge an empty homes Council Tax premium to tackle the shortage of housing supply in their areas. This also provides additional Council Tax income for the major preceptors in North East Derbyshire.
- 1.2 North East Derbyshire introduced a premium in 2024. Following a review, it was highlighted that progress had slowed; therefore, the new charge will help further reduce the number of long-term empty homes. Most Councils across Derbyshire set premiums at the same, or similar rates set out in this report.
- 1.3 Councils have been given powers to charge empty homes premiums, and there is an expectation from Government to charge the maximum allowed under the regulations. It is therefore proposed, as set out in the revised Policy (**Appendix 1**) to set the following charges from April 2026.
 - Homes empty from 2 – 5 years 100% premium (200%)
 - Homes empty from 5 – 10 years 200% premium (300%)
 - Homes empty from 10 years and over 300% premium (400%)
- 1.4 The increased charges will still commence from two years empty rather than one. This is because of the difficulties regarding collection, and in general

principles of fairness in allowing homeowners a reasonable amount of time to bring homes into use.

The policy will provide guidance for council officers in providing advice, assessments and decision making in relation to implementation and general administration of the council tax empty homes premium.

Section 111B of the Local Government Finance Act 1992 gives council tax billing authorities the powers to apply a discretionary council tax premium to empty properties.

The Council Tax Empty Homes premium forms part of a plan to target the issue of empty homes. From 1 April 2013, billing authorities could charge a premium on a class of property that has been unoccupied and unfurnished for two years or more. At that time, the law stated that the premium may be up to 50% of the council tax on the property.

In accordance with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, from 1 April 2019 the premium was amended and may be up to 100% of the council tax on properties unoccupied and unfurnished for between two and five years, 200% on properties unoccupied and unfurnished for between five and ten years, and 300% on properties unoccupied and unfurnished for more than ten years.

2. Exceptions to the council tax empty homes premium

- 2.1 Under the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, the government has prescribed two classes of dwellings which are exempt from the premium. These are:
 - a dwelling which would otherwise be the sole or main residence of a member of
 - the armed services, who is absent from the property as a result of such service.
 - a dwelling, which forms part of a single property that is being treated by a resident of that property as part of the main dwelling.
- 2.2 The Council will also consider waiving the Council Tax Premium for owners who meet the qualifying criteria as specified in the policy. (**Appendix 1**)
- 2.3 The council tax premium is not intended to penalise owners of a property that is genuinely on the housing market for sale or rent.
- 2.4 The reasons why properties are unoccupied and unfurnished, including whether they are available for sale or rent are taken into consideration. Therefore, the policy sets out a range of criteria and scenarios to help officers in making their decisions.

3. Empty Homes in North East Derbyshire

3.1 The total number of empty homes as set out in the categories above are shown below.

- 101 Homes empty from 2 – 5 years
- 59 Homes empty from 5 – 10 years
- 36 Homes empty from 10 years and over

3 Reasons for Recommendation

3.1 The increased empty homes premium will help in our efforts to reduce the number of homes left empty and serve as a deterrent.

4 Alternative Options and Reasons for Rejection

4.1 Not to proceed with an increase to the Council Tax premium for empty homes.

4.2 The number of empty homes continues to be a problem. The longer homes are left the more difficult it is to resolve issues. To not increase the Council Tax premium will remove an effective intervention in the reduction of empty homes across the district.

DOCUMENT INFORMATION

Appendix No	Title
1	Council Tax Empty Homes Premium Policy
2	EIA stage 2

Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)