

Changes to Council Tax

1. Full Council is asked to determine:

- 1.1 From 1 April 2024, for properties defined in the Local Government Finance Act 1992 and its subordinate legislation as being **long term empty dwellings that are substantially unfurnished**:
- A discount shall not apply
 - An additional council tax charge will be applied at the maximum permitted level:

Dwelling empty for less than 5 years, but at least 1 year	Dwelling empty for less than 10 years, but at least 5 years	Dwelling empty for 10 years or more
100%	200%	300%

- 1.2 From 1 April 2025, for properties defined in the Local Government Finance Act 1992 and its subordinate legislation as being dwellings that are occupied periodically, where there is no resident, and that are substantially furnished:
- A discount shall not apply
 - An additional council tax charge will be applied at the maximum permitted level of 100%

2. Evidence Base

- 2.1 In its original form, The Local Government Finance Act 1992 prescribed certain discounts to be applied where there is no resident of the dwelling. Subsequent amendments have allowed a billing authority to set policies for the application of certain council tax discounts and increased charges (premiums) on dwellings that are not occupied.
- 2.2 **Long term empty dwellings** are currently defined as those that have been unoccupied and substantially unfurnished for at least 2 years. Bristol City Council has previously opted not to apply a discount, and to apply the maximum percentage increases on these dwellings as set out below:

	Dwelling empty for less than 5 years, but at least 2 years	Dwelling empty for less than 10 years, but at least 5 years	Dwelling empty for 10 years or more
1 April 2019	100%	100%	100%
1 April 2020	100%	200%	200%
1 April 2021	100%	200%	300%

- 2.3 **The Levelling Up and Regeneration Act 2023** has further amended the current provision.

Long term empty dwellings have been redefined as those that have been unoccupied and substantially unfurnished for at least **1 year** (previously 2 years). This amendment has effect for financial years from 1 April 2024, and it does not matter whether the 1-year period begins before this date. For example, if a dwelling has been unoccupied and substantially unfurnished for more than 1 year (but less than 2 years) on 1 April 2024, the increased charge will be applied from 1 April 2024. If a dwelling has been unoccupied and substantially unfurnished since 1 May 2023, the increased charge will be applied from 1 May 2024.

Our records indicate a number of properties have been empty for between one and two years and this position will be verified.

2.4 Councils have now been given the option to apply an additional council tax charge of a maximum 100% for **dwellings that are occupied periodically**. The conditions are that there is no resident, and the dwelling is substantially furnished. These are sometimes referred to as ‘second homes’ and this premium will apply in more situations than might normally be regarded as a ‘second home’ including:

- where the resident has fled through violence or fear of violence
- domestic premises used as staff or office facilities by a business (eg flat above a shop)
- flats used by overnight carers, patients, families, visitors or staff of hospitals, sheltered housing, vet surgeries etc
- apartments for let that are not rated for business rates

Around 2000 dwellings are recorded as empty and substantially furnished and this status will be verified.

2.5 A council must make a determination to apply this additional charge at least one year before the beginning of the financial year to which it relates, and it is proposed that Bristol City Council applies the maximum increased charge of 100% with effect from 1 April 2025.

2.6 The Secretary of State may by regulations:

- identify certain dwellings for which these premiums may not be applied
- specify a different percentage limit for those quoted above

2.7 The Government has recently [consulted](#) on proposals to exempt certain categories of dwellings from these premiums, and has proposed that the premiums should not be applied in the following circumstances:

Empty Homes

- Undergoing major repairs (for up to 6 months)

‘Second homes’

- Annexes forming part of a main dwelling
- Job related dwellings
- Occupied caravan pitches and boat moorings
- Seasonal homes where occupancy is restricted

Both Empty and ‘Second homes’

- Properties undergoing probate
- Being actively marketed for sale or let

2.8 The outcome of the consultation has not been published, and we have no indication as to whether any of the above proposals, or if any other circumstances, might be brought forward as exemptions. Regulations for any exemptions could be laid prior to the implementation dates above.

2.9 A decision by Bristol City Council to increase the council tax charge for dwellings that are occupied periodically and are substantially furnished will apply in all cases that meet the criteria unless an exemption is specified in Regulations.

3. Potential income

3.1 If we estimate that 20% of existing dwellings could be exempt from the premium, an indicative income from furnished properties which are unoccupied could be:

Number of properties	Band D equivalents	Reduce by 20%	Estimated Band D charge 25-26*	98%
2000	1667	1334	2200.26	2.876m

*Assumes a 4.99% increase