

Consultation – Increased Council Tax Charges on Long Term Empty Properties and Second Homes and Impact on Provisional Parish and Town Council Tax Base Funding Allocations 2024/25

The Government's [Levelling-up and Regeneration Act](#), came into force on 26 October 2023 and local councils can now charge higher council tax on properties that are defined as long term empty homes and properties that are only occupied occasionally (second homes). This is called the Long Term Empty Property Council Tax Premium and Second Home Council Tax Premium.

The additional charge is intended to encourage owners to bring homes back into use and could boost the supply of properties available to rent in Milton Keynes, which supports local people.

MKCC are considering introduction of two changes:

Proposal one: from 1 April 2024, to reduce the length of time a property can be unoccupied and unfurnished before being charged an additional 100% council tax premium (2x the current council tax amount) from the current two years to one year.

Proposal two: from 1 April 2025, to increase the council tax payable by 100% (2x the current council tax amount) on a second home property, where there is no resident, and which is substantially furnished.

The Government recognises that there may be circumstances where it might not be appropriate for council tax premiums to apply and will be providing a list of exceptions to the council tax premiums. It is expected, but not yet confirmed, that the following may be excluded from the Council Tax premium:

- Where probate has been awarded a 12-month exception from the premium at the end of the statutory 6-month exemption period.
- Where a property is being actively marketed for sale or to let a 6-month exception from the premium)
- Will not apply to annexes forming part of or being treated as part of the main dwelling.
- Will not apply to properties currently receiving a 50% job related second home discount.
- Will not apply to occupied caravan pitches and boat moorings.
- Will not apply to seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation.

A report is being taken to MKCC's Cabinet on the 7 November setting out the Provisional Council Tax Base and LCTRS Grant for 2024/25. Unlike previous years they are not setting the final tax base at this meeting, but are instead undertaking a consultation on proposals to adopt the new Council Tax Premium for Long Term Empty Properties from April 2024 and the 2nd Homes Premium from April 2025. If

these proposals are adopted, then the Council Tax Base will be higher, which may increase a parish council's precept (income).

MKCC is seeking views on whether it should adopt the changes. All comments received on the consultation will be considered by MKCC's Cabinet at their meeting on the 5 December 2023. The consultation closes on the 28 November 2023.

At the meeting on 7 November 2023, MKCC will be considering a report to maintain the total LCTRS funding at £325,000 and are not proposing to make any changes to how this is distributed. The full report can be [Agenda for Cabinet on Tuesday 7th November, 2023, 6.30 pm | Milton Keynes City Council \(moderngov.co.uk\)](#).

At Cabinet on the 5 December the Council will confirm whether these proposals will proceed and finalise the Council Tax Base. After this meeting parish and town councils will be informed of the final Council Tax Base and where relevant any LCTRS Grant allocation awarded to it. Invariably, Whitehouse Community Council is not allocated any grant to make up the shortfall.