

Update further to the Residents' Services Select Committee's Review of the Empty Homes Council Tax Premium

Committee name	Residents' Services Select Committee
Officer reporting	Tiffany Boreham
Papers with report	None
Ward	All

HEADLINES

This report presents an update further to the Residents' Services Select Committee review of the Empty Homes Premium along with details of the next steps.

RECOMMENDATIONS

That the Select Committee:

1. Notes the proposed next steps to increase the empty property premium to the maximum allowed and introduce the second home premium from 01/04/2026; and
2. Comments on the information within this report and provides feedback to Cabinet where necessary.

SUPPORTING INFORMATION

From 01/04/2013 billing authorities have been able to charge a premium on a property that has been unoccupied and unfurnished for 2 years or more.

Originally the premium was up to an extra 50% and in 2019 this was changed to 100%. Further increases are now possible on properties that are empty for longer than 5 years (200%) and ten years (300%).

As a result of the recommendations made by the Residents' Services Select Committee on 15 December 2022, the further increases were introduced at Hillingdon through a phased approach. The premium was doubled from 50% to 100% from 01/04/23. The 5 years (200%) was introduced on 01/04/24 and lastly the 10 years (300%) was introduced on 01/04/25.

Since the Select Committee Recommendations in 2022 the Government has made further changes to the empty home's premium that can be applied. As of 01/04/2025 a premium can be applied on a property that has been empty and unfurnished after only 1 year. In addition, a second home premium can be charged on a property that is substantially furnished and has no resident.

The Council has made a determination to introduce the empty home premium after 1 year and charge a second home premium as of 01/04/26. A notice was published in the local paper to confirm this.

There are some exceptions to applying the empty and second home premiums which came into effect on 01/04/25, details can be found here:

[Guidance on the implementation of the council tax premiums on long-term empty homes and second homes - GOV.UK](#)

To be able to correctly apply the second home premium officers plan to contact all customers who have a known second home during the summer 2025 to confirm their situation.

PERFORMANCE DATA

Current data

There are currently 2436 properties in the Borough that are known to the Council Tax department as being empty. Officers are aware that 712 of these are empty and furnished which means that no premium is being applied to these accounts.

Officers apply a premium of 100% when the property has been unoccupied and substantially unfurnished for 2 years or more (which means double the council tax charge is payable). If a property has been unoccupied and substantially unfurnished for 5 years or more the premium is increased to 200%. As of 01/04/25 the Council is applying a 300% premium to any property that has been empty for 10 years or more.

Number of premiums applied for 25/26

Type of premium	Number of accounts affected
2 years - 100%	84
5 years - 200%	44
10 years - 300%	36

The total number of accounts with a premium applied is 164; back in October 2022 it was 144. Unfortunately, this data does not support the idea that charging a premium would bring more properties back into use.

There are 1560 properties where no premium has been applied as they have been empty for less than 2 years.

Amount owed

The total balance outstanding across the 164 accounts is £1,010,341.17 which is an average of £6160.62 owed per account. This figure is double the average amount outstanding in July 2022 and represents the increase in premium applied and the fact that a number of these accounts have fallen into arrears due to the increased charge. It is costing the Council more to recover this

money as officers are having to obtain a liability order to be able to pursue additional recovery methods.

RESIDENT BENEFIT

Through charging a premium on empty and unfurnished properties the hope is that owners will make a quicker decision about the future of the property and potentially put it up for sale or rent. This helps increase the amount of housing in the area and reduces the risk of squatters and vandalism. Empty properties are also more likely to fall into disrepair and can become a home for pests which can create problems for neighbours.

In charging a premium, once collected, there is also more money available to fund public services.

FINANCIAL IMPLICATIONS

Currently only 164 residents are charged a premium which is not generating much extra income. However, once the empty property premium is changed to come in after only 1 year, more empty homes will incur a premium. If this had been applied from April 2025 a further 199 homes would have received a 100% premium on their bill.

In addition, the introduction of the second homes premium will generate additional income which officers will be able to estimate once the affected residents have confirmed the circumstances of their second home.

LEGAL IMPLICATIONS

[Guidance on the implementation of the council tax premiums on long-term empty homes and second homes - GOV.UK](#)

BACKGROUND PAPERS

Residents' Services Select Committee Minor Review Scoping Report – 2022/2023

<https://modgov.hillingdon.gov.uk/documents/s56927/05%20-%20REPORT%20Cabinet%20Report%20-%20Empty%20Homes%20Premium.pdf>

APPENDICES

Nil.