

Strategy and Resources Committee

27 January 2026

COUNCIL TAX EMPTY PROPERTY AND SECOND HOME POLICY

Head of Service:	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author	Siobhán Gavigan
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/a
Appendices (attached):	Appendix 1 - Epsom & Ewell Borough Council Empty Property and Second Home Policy

Summary:

This report proposes:

- (1) The removal of the Council Tax one month empty and unfurnished exemption from 01 April 2026. This means that once a property becomes empty and substantially unfurnished, 100% of the Council Tax will remain payable, from the date the property becomes empty.
- (2) Introduction of the 100% Empty Home Premium on properties which have been empty and substantially unfurnished for longer than 1 year, from the 01 April 2026
- (3) Introduction of a 100% premium for all second homes from 01 April 2027, in line with the governing legislation.

Recommendation (s)

The Committee is asked to recommend that Full Council:

- (1) **Approve the recommended changes to how Council Tax is levied on Empty properties, as set out in Appendix 1, with effect from the 1 April, 2026.**
- (2) **Approve the recommended changes to how Council Tax is levied on Second Homes in the Borough, as set out in Appendix 1, with effect from 1 April, 2027.**

1 Reason for Recommendation

- 1.1 These changes will support EEBCs policy of bringing empty properties in the borough, back into use.

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- 1.2 It will also bring in additional Council Tax income for Epsom & Ewell BC, Surrey CC and Surrey Police for the 2026/27 Financial year to support the delivery of council services
- 1.3 It will align EEBC policy with the other East Surrey authorities in preparation for Local Government Reform.

2 Background

- 2.1 Since 2013, councils in England have had the power to charge additional council tax on long-term empty homes after 2 years. In April 2024, the empty homes Council Tax Premium was strengthened so that councils can charge the premium on homes that have been empty for 1 or more years.
- 2.2 A long-term empty home is defined as a home which is both unoccupied and substantially unfurnished for a continuous period of at least 1 year. The property must be occupied, or substantially furnished, for a continuous period of at least six weeks in order for it to reset the length of time it has been empty for, and its liability for a long-term empty premium.
- 2.3 Properties occupied periodically (commonly referred to as second homes) are defined as properties which are substantially furnished and have no resident (i.e. not a person's sole or main home).
- 2.4 Where individuals own multiple homes, but the homes are let out or occupied by someone as their main home, it will not be considered as a second home for the purposes of the premiums and as such will not be liable for the premium.
- 2.5 The Council Tax system provides a number of specific exemptions from council tax. The exempt classes are set out in the Council Tax (Exempt Dwellings) Order 1992. A dwelling that is exempt from council tax is not liable for a premium. Where a dwelling is no longer eligible for an exemption but remains no one's sole or main residence, it may become liable for a premium. In the case of an empty home, it may become liable for a premium after it has been empty for a continuous period of 1 year. This time frame begins when the dwelling first becomes empty rather than when an exemption ends. A second home may become liable for the premium as soon as the exemption ends.
- 2.6 The government has made regulations to provide a number of exceptions to premiums which are explained in the attached policy. These exceptions apply from 1 April 2026.

3 Risk Assessment

Legal or other duties

- 3.1 Equality Impact Assessment

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3.1.1 The changes outlined in this report will not specifically impact people within the protected characteristics.

3.2 Crime & Disorder

3.2.1 None arise from this report

3.3 Safeguarding

3.3.1 None arise from this report

3.4 Dependencies

3.4.1 None arise from this report

3.5 Other

3.5.1 None arise from this report

4 Financial Implications

4.1 There is no additional cost in making these changes but will raise additional income for EEBC

4.2 **Section 151 Officer's comments:** I can confirm that the financial implications of this proposal have been considered. The introduction of the Council Tax premium for long-term empty properties and second homes is expected to generate additional income for Epsom & Ewell Borough Council, Surrey County Council, and Surrey Police. This supports the Council's Medium-Term Financial Strategy and is in line with the changes made by other D&Bs in Surrey.

5 Legal Implications

5.1 The changes to Council Tax Regulations are contained within:

- Sections 11a, 11b and 11c of the Local Government Finance act 1992
- The Levelling-up and regeneration Act 2023
- The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012
- The Council Tax (Exempt Dwellings) (England) (Amendment) Regulations 2012
- The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024

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- 5.2 **Legal Officer's comments:** The Levelling Up and Regeneration Act 2023 amends the Local Government Finance Act 1992. The effect being that for financial years beginning on or after 1 April 2025 a billing authority may by determination increase council tax by 100% where there is no resident of a dwelling, and the dwelling is substantially furnished. A determination must be made at least one year before the beginning of the financial year to which it relates. As a result, the new charge cannot come into effect before 1 April 2027.
- 5.3 The Levelling Up and Regeneration Act 2023 amends the Local Government Finance Act 1992. The effect being that for financial years beginning on or after 1 April 2024 a “long term empty dwelling” can be a property that (a) has been unoccupied, and (b) it has been substantially unfurnished for a period of one year rather than the current 2 years.
- 5.4 This Committee is the appropriate body to consider the content of this report and to make recommendations on to Full Council.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
 - Effective Council
- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** Not applicable for the purposes of this report
- 6.4 **Sustainability Policy & Community Safety Implications:** Not applicable for the purposes of this report
- 6.5 **Partnerships:** Not applicable for the purposes of this report
- 6.6 **Local Government Reorganisation Implications:** Implementing these policy changes locally, will bring Epsom & Ewell BC in line with our other East Surrey Partners, who have already made the changes.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None

Other papers:

- None