



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance and Performance Scrutiny	10 November 2025
Council	18 December 2025

Wards Affected: All wards

COUNCIL TAX – LOCAL DISCOUNTS AND PREMIUMS

Report of Assistant Director Finance & Audit (S151 Officer)

1. Purpose of report

- 1.1 To seek approval for changes to the council tax discounts and premiums in operation at the Council,

2. Recommendation

- 2.1 That Council members approve the increased premium charge for
- Empty, unoccupied and unfurnished discount
 - Major repairs, and
 - Second homes premium

3. Background to Report

- 3.1 In 2019 the Council introduced changes to discounts and premiums for Council Tax in respect of empty properties. At the same time there was the introduction of a new local Council Tax Reduction Scheme that replaced the national council tax benefit scheme. The main aim of this is to help councils is to bring empty properties back into occupation.
- 3.2 Nationally long term empty properties are shutting local families and young people out of the housing market as they are being denied the opportunity to rent or buy in their own community. Additionally, the levels of empty properties are recognised as having a serious impact on the viability of communities. This has led government to make further changes to when premiums can be levied on Council Tax payers who own empty properties.

- 3.3 The number of empty properties within the Hinckley and Bosworth area is relatively low. The Table below gives properties classed as empty as at the beginning of October 2025. As can be seen long term properties remaining empty for more than one year is extremely low. Which suggests current actions are moving empty properties back into use within the year.

Long term empty	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20
Number of Dwellings	52,070	51,749	50,815	50,815	50,279	49,885
Empty over six months	791	798	812	749	729	802
Long term empty over 1 year	90	82	66	78	88	156
As a percentage of all dwellings						
Empty over six months	1.5%	1.5%	1.6%	1.5%	1.4%	1.6%
Long term empty over 1 year	0.2%	0.2%	0.1%	0.2%	0.2%	0.3%

- 3.4 It is very difficult to estimate what impact these changes would have on the number of empty properties brought back into use. However, based on the observations in the table above, the change in numbers implies that the last time premiums were increased in 2020/21, the number of long term empty properties fell from 156 to 88 (43%), while the “up to six months” category fell by 73 (9%). This does not guarantee a similar fall for the proposals suggested in this report, as the ratio of empty properties to total dwelling has remained relatively stable since 2020/21 despite the increased premium being in place.
- 3.5 Further changes have been made to legislation to allow further amendments, and our Revenue and Benefit partnership are trying to unify, where possible, the approach across the partners subject to member approve. It is hoped these changes will help bring empty properties back into use at a quicker rate. The information has been updated since Finance and Performance Scrutiny to be based on 2025/26 council tax data.

1. Empty, unoccupied and unfurnished discount:

This only affects properties that are empty and unfurnished

Current position	Proposed position	Estimated volume affected	Estimated decrease in discount awarded
100% discount for 1 month	No discount	371	£71,000.00, of which HBBC share would be about £5,000

2. Major repairs:

Major repairs that make the house uninhabitable will not be covered by this, where the property is taken out of the valuation listing.

Current position	Proposed position	Estimated volume affected	Estimated decrease in discount awarded
50% discount for 6 months	No discount	45	£ 52,000.00, of which HBBC share would be about £4,000

3. Second homes premium

A second home has a particular definition of a furnished property that does not have anyone living in as their main home. Landlords are unlikely to be captured by this definition

Current position	Proposed position	Estimated volume affected	Estimated value of premium applied
No premium applied	100% premium applied from day one.	163	£375,000, of which HBBC share would be about £26,000

- 3.6 The proposals above were subject to consultation which is detailed in section 8 below. In general the public were not supportive of the changes for those that answered the survey. There were 719 respondents between December 2024 and January 2025. There were 50,749 chargeable dwellings (October 2024) in HBBC at that time. The respondents represent potentially 1.42% of the chargeable dwelling tax payers.

5. Financial implications (AW)

- 5.1 Contained in the body of the report.

6. Legal implications (ST)

- 6.1 Under section 13A of the Local Government Finance Act 1992 ("LGFA 1992") the council has a general discretionary power to reduce liability for council tax in relation to individual cases or class(es) of cases that it may determine.
- 6.2 Councils in England derive their power to charge a council tax premium on second homes from the Local Government Finance Act 1992, as amended by subsequent legislation: Section 11C of the Local Government Finance Act 1992 Introduced via the Levelling-up and Regeneration Act 2023, this section allows councils to apply a discretionary premium of up to 100% (i.e. double the standard rate) on second homes—defined as dwellings that are substantially furnished but not anyone's sole or main residence. Under Section 11C as above, council's must provide a minimum of a year's notice before the start of the financial year.

7 Corporate Plan implications

7.1 To ensure the Council's governance arrangements are robust.

8. Consultation

8.1 The Consultation below was taken between Dec 2024 and January 2025. The survey attracted 719 responses, but not all questions were answered by all respondents. A summary of the main responses is given below.

Key Statistics:

Category indicates of those that responded the number that owned property that directly affected	Responses
Own second home	68
Own unoccupied unfurnished property	20
Own unoccupied furnished property	13
Property undergoing major repairs	6

Public Support for Proposals:

Proposal	Support	Disagree	Neither	Total
Remove 100% discount on empty, unfurnished properties for one month	269 (39%)	354 (52%)	63 (9%)	686 (100%)
Remove 50% discount on major repairs for twelve months	238 (35%)	353 (52%)	86 (13%)	677 (100%)
Apply 100% premium on Second property (double council tax) on second homes from April 2026*	308 (46%)	315 (47%)	50 (7%)	673 (100%)

* Due to the timing of this report, this would now be introduced from April 2027

8.2 There were also over 300 open ended responses, with a range of views, which have been summarised in the table below.

Handling of empty properties – open ended responses
Various approaches to handling empty properties were suggested:
1. Opposition to Increased Taxes: Many respondents oppose increasing council tax on empty properties, arguing that it penalizes owners who may be renovating or trying to sell the property. They believe that empty properties do not use council services and thus should not be subject to higher taxes.
2. Support for Higher Taxes: Some respondents support higher taxes on long-term empty properties to incentivize owners to

Handling of empty properties – open ended responses

bring them back into use. Suggestions include doubling the council tax or implementing a sliding scale where the tax increases the longer the property remains empty.

3. Exemptions and Grace Periods: Several respondents propose exemptions or grace periods for properties that are empty due to inheritance, probate, or major renovations. They suggest allowing a certain period (e.g., 6-12 months) before imposing higher taxes to give owners time to sell or renovate the property.

4. Encouraging Renovations: There is a strong sentiment that properties undergoing major repairs should receive tax discounts to encourage renovations and improve housing stock. Some suggest reducing the discount period rather than eliminating it entirely.

5. Compulsory Purchase: A few respondents advocate for the council to exercise compulsory purchase of long-term empty properties, renovate them, and use them for social housing.

9. Risk implications

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with these report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

10. Knowing your community – equality and rural implications

Various reliefs are available for council tax under national and local regulations.

11. **Corporate implications**

By submitting this report, the report author has taken the following into account: Asset Management implications

Background Papers:	Revenues and Benefits Monitoring Reports Detailed Survey results
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