

2024 No. 1007

COUNCIL TAX, ENGLAND

**The Council Tax (Prescribed Classes of Dwellings and
Consequential Amendments) (England) Regulations 2024**

Made - - - -

7th October 2024

Laid before Parliament

8th October 2024

Coming into force

1st November 2024

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 11A(1) and (4), 11B(2) and (3), 11D(1) and (2), 31B(3) to (5), 34(4), 42B(3) to (5), 45(4) and (5), 48(5) and (6), 52ZX(7) and (8) and 113(1) and (2) of, and paragraphs 1(1), 2(4)(e) and 4 of Schedule 2 to, the Local Government Finance Act 1992(a).

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 and come into force on 1st November 2024.

(2) These Regulations extend to England and Wales.

Amendment of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003

2.—(1) The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003(b) are amended in accordance with paragraphs (2) to (5).

(2) In regulation 2 (interpretation)—

(a) after the definition of “Class F” insert—

- ““Class G” means the class of dwellings described in regulation 11;
- “Class H” means the class of dwellings described in regulation 12;
- “Class I” means the class of dwellings described in regulation 13;
- “Class J” means the class of dwellings described in regulation 14;
- “Class K” means the class of dwellings described in regulation 15;
- “Class L” means the class of dwellings described in regulation 16;

(a) 1992 c. 14. Section 11A was inserted by section 75(1) of the Local Government Act 2003 (c. 26). Section 11B was inserted by section 12 of the Local Government Finance Act 2012 (c. 17) and amended by section 2 of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 (c. 25) and by section 79 of the Levelling-up and Regeneration Act 2023 (c. 55). Section 11D was inserted by section 80 of the Levelling-up and Regeneration Act 2023. Section 31B was inserted by section 74, section 42B by section 75 and section 52ZX by section 72(1) of, and Schedule 5 to, the Localism Act 2011 (c. 20). Paragraph 4 of Schedule 2 was amended by section 12 of the Local Government Finance Act 2012.

(b) S.I. 2003/3011, amended by S.I. 2004/926, 2005/416, 2005/2866, 2012/2964 and 2019/1458.

- “Class M” means the class of dwellings described in regulation 17;
- “planning condition” means any condition imposed on planning permission granted or deemed to be granted under Part 3 of the Town and Country Planning Act 1990(a);”;
- (b) after the definition of “qualifying person” insert—
- ““relevant transaction”, in relation to a dwelling, means a transfer on sale of—
- (a) the freehold; or
- (b) the leasehold for a term of seven years or more;”.
- (3) In regulation 3 (prescribed classes) for paragraph (3) substitute—
- “(3) Class E and Class F are prescribed as classes of dwelling for the purposes of—
- (a) section 11B(2) of the Act(b) for each financial year(c) beginning on or after 1st April 2013; and
- (b) section 11D(1) of the Act for each financial year beginning on or after 1st April 2025.
- (4) Class G, Class H and Class I are prescribed as classes of dwelling for the purposes of sections 11B(2) and 11D(1) of the Act for each financial year beginning on or after 1st April 2025.
- (5) Class J, Class K and Class L are prescribed as classes of dwelling for the purposes of section 11D(1) of the Act for each financial year beginning on or after 1st April 2025.
- (6) Class M is prescribed as a class of dwelling for the purposes of section 11B(2) of the Act for each financial year beginning on or after 1st April 2025.”.
- (4) For regulation 6 (exceptions) substitute—

“Exceptions

- 6.** Class A and Class B shall not include any dwelling which falls within the description of dwelling for Class J or Class K.”.
- (5) After regulation 10 (class F) insert—

“Class G

11.—(1) The class of dwellings described in this regulation (“Class G”) comprises every chargeable dwelling(d) in England—

- (a) that is being marketed for sale at a price that is reasonable for the sale of the dwelling,
- (b) in relation to which an offer to purchase the dwelling has been accepted (whether or not the acceptance is subject to contract) but the sale has not been completed,
- unless it has been such a dwelling for a period of one year or more.

(2) After the end of an excepted period a dwelling does not fall within Class G for a further period unless the dwelling has been the subject of a relevant transaction.

(3) For the purposes of this regulation—

- (a) marketing a dwelling for sale includes the marketing for sale of—
- (i) the freehold; or
- (ii) a leasehold for a term of seven years or more;
- (b) “excepted period” is a period during which a dwelling falls within Class G.

(a) 1990 c. 8.

(b) See regulation 2(1) of S.I. 2003/3011 for the meaning of “the Act”.

(c) See section 69(1) of the Local Government Finance Act 1992 (c. 14) for the meaning of “financial year”.

(d) See section 4(2) of the Local Government Finance Act 1992 (c. 14) for the meaning of “chargeable dwelling”.

Class H

12.—(1) The class of dwellings described in this regulation (“Class H”) comprises every chargeable dwelling in England—

- (a) that is being marketed for let under a tenancy on terms and conditions, including the proposed rent, that are reasonable for letting the dwelling,
- (b) in relation to which an offer to rent the dwelling has been accepted (whether or not the acceptance is subject to contract) but the tenancy has not started,

unless it has been such a dwelling for a period of one year or more.

(2) After the end of an excepted period a dwelling does not fall within Class H for a further period unless the dwelling has been subject to a tenancy that was granted for a term of six months or more.

(3) For the purposes of this regulation “excepted period” is a period during which a dwelling falls within Class H.

Class I

13.—(1) The class of dwellings described in this regulation (“Class I”) comprises every chargeable dwelling in England—

- (a) that fell within Exempt Dwellings Class F;
- (b) in relation to which a grant of probate has been made or letters of administration issued during the period in which it has fallen within that Class; and
- (c) where less than one year has elapsed since the making of the grant or issue of the letters.

(2) Where a dwelling falling within Class I is subject to a relevant transaction, it no longer falls within that Class after the day on which that transaction is completed.

(3) After the end of an excepted period a dwelling does not fall within Class I for a further period unless the dwelling has fallen within Exempt Dwellings Class F for a further period.

(4) For the purposes of this regulation—

“excepted period” is a period during which a dwelling falls within Class I;

“Exempt Dwellings Class F” means Class F in regulation 3 of the Council Tax (Exempt Dwellings) Order 1992^(a).

Class J

14.—(1) The class of dwellings described in this regulation (“Class J”) comprises every chargeable dwelling in England—

- (a) where a qualifying person in relation to that dwelling is a qualifying person in relation to another dwelling in England, Wales or Scotland which for that person is job-related; or
- (b) which for a qualifying person is job-related where that person is a qualifying person in relation to another dwelling in England, Wales or Scotland.

(2) For the purposes of—

- (a) paragraph (1)(a), a dwelling is job-related if it falls within the description set out in paragraph 1, 2 or 2A of the Schedule to these Regulations;
- (b) paragraph (1)(b), a dwelling is job-related if it falls within the description set out in paragraph 1 or 2 of that Schedule.

^(a) S.I. 1992/558. Class F was substituted by S.I. 1994/539.

Class K

15. The class of dwellings described in this regulation (“Class K”) comprises every chargeable dwelling in England which consists of a pitch occupied by a caravan, or a mooring occupied by a boat.

Class L

16. The class of dwellings described in this regulation (“Class L”) comprises every chargeable dwelling in England the occupation of which is restricted by a planning condition—

- (a) preventing occupancy for a continuous period of at least 28 days in any one year period;
- (b) specifying that the dwelling may be used for holiday let only; or
- (c) preventing occupancy as a person’s sole or main residence.

Class M

17.—(1) Subject to paragraph (2), the class of dwellings described in this regulation (“Class M”) comprises every chargeable dwelling in England which falls within Class D.

(2) After the end of an excepted period a dwelling does not fall within Class M for a further period unless the dwelling has been the subject of a relevant transaction.

(3) In this regulation “excepted period” means a period during which a dwelling falls within Class M.”.

Amendment of the Council Tax (Administration and Enforcement) Regulations 1992

3. In regulation 1(2) of the Council Tax (Administration and Enforcement) Regulations 1992(a) (citation, commencement and interpretation), in the definition of “premium” after “11B(1)” insert “or 11C(1)”.

Amendment of the Council Tax (Demand Notices) (England) Regulations 2011

4. In paragraph 18 of Schedule 1 to the Council Tax (Demand Notices) (England) Regulations 2011(b) (matters to be contained in demand notices)—

- (a) in sub-paragraph (h) omit “or”;
- (b) after sub-paragraph (h) insert—

“(ha) a determination made under section 11C(1) of the Act (higher amount for dwellings occupied periodically: England), or”.

Amendment of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012

5. In regulation 1(4) of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012(c) (citation, commencement, application and interpretation), in the definition of “a relevant percentage” after “11B” insert “or 11C”.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Jim McMahon

Minister of State

7th October 2024

Ministry of Housing, Communities and Local Government

(a) S.I. 1992/613. Relevant amendments were made by S.I. 2012/3086.
(b) S.I. 2011/3038. Relevant amendments were made by S.I. 2012/3087.
(c) S.I. 2012/2914.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 11(2) of the Local Government Finance Act 1992 (c. 14, “the Act”) makes provision for council tax discounts of 50% in relation to empty homes. Section 11A of the Act provides for the discounts on empty homes to be reduced in relation to classes of dwellings prescribed by the Secretary of State. Section 11B of the Act was inserted by the Local Government Finance Act 2012 (c. 17) and amended by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 (c. 25) and the Levelling-up and Regeneration Act 2023 (c. 55). Section 11B makes provision for billing authorities to charge a discretionary premium in relation to dwellings empty for at least one year (commonly known as an “empty homes premium”), subject to classes of exceptions prescribed by the Secretary of State. Section 11C of the Act (inserted by the Levelling-up and Regeneration Act 2023) provides for billing authorities to charge a discretionary premium on dwellings occupied periodically (commonly known as a “second homes premium”), subject to such classes of exceptions as may be prescribed by the Secretary of State under section 11D.

The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (“the 2003 Regulations”) prescribe classes of dwellings for the purposes of sections 11A and 11B. These Regulations amend the 2003 Regulations to prescribe additional classes in relation to which the premiums may not be charged, for the purposes of section 11B (empty homes premium) and section 11D (second homes premium).

Regulation 2(3) amends regulation 3 of the 2003 Regulations to prescribe existing Classes E and F for the purposes of the second homes premium and to prescribe new classes in respect of both premiums. Billing authorities will not be able to charge an empty or second homes premium in relation to: a dwelling that is or would be a person’s sole or main residence and where that person has been provided with armed forces accommodation; or an annexe that forms part or the same property as, and is being used as part of, a person’s sole or main residence.

Regulation 2(4) substitutes regulation 6 of the 2003 Regulations so that the exceptions to Class A and B refer to the identical descriptions of dwellings in new Classes J and K, as inserted by regulation 2(5).

Regulation 2(5) inserts the new classes into the 2003 Regulations as follows:

An empty or second homes premium may not be charged in relation to dwellings which are being actively marketed for sale or let for a period of up to 12 months. A dwelling will not fall within the relevant exception to the premium for a further period unless it has been sold (in the case of a dwelling which has been marketed for sale) or subject to a tenancy granted for 6 months or longer (in the case of a dwelling which has been marketed for let).

An empty or second homes premium may not be charged in relation to a dwelling which has been exempt under Class F of the Council Tax (Exempt Dwellings) Order 1992 (S.I. 1992/558) and has undergone probate (for a period of up to 12 months after the grant of probate).

A second homes premium may not be charged in relation to dwellings which are periodically occupied in certain job-related circumstances; a pitch occupied by a caravan or a mooring occupied by a boat; or where a planning condition prevents permanent occupancy.

The empty homes premium may not be charged, for a period of up to twelve months, in relation to a vacant dwelling which is undergoing major work to make it habitable, or structural alteration.

Regulations 3 to 5 make consequential amendments to council tax secondary legislation in consequence of the introduction of the second homes premium.

A full impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.

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Controller of His Majesty's Stationery Office and King's Printer of Acts of Parliament.

£8.14

<http://www.legislation.gov.uk/id/uksi/2024/1007>

ISBN 978-0-34-826406-7



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