

<b>Housing budgets 2026/27</b>	
<b>Executive Summary</b>	<p>North Norfolk District Council will claim 25% of the additional income raised from the 200% Council Tax charge for Second Homes.</p> <p>As was the case in 2025/26, NNDC proposes to use this additional income to mitigate the potential impact of high levels of Second and holiday homes - to help tackle homelessness and support building of more affordable homes for local households</p> <p>This report provides details of housing projects it is proposed to fund from the additional income</p> <p>This use is reflected in the 2026/27 Capital programme and the Out-turn report 2025/2026.</p>
<b>Options considered</b>	<ul style="list-style-type: none"> <li>- Not to claim any of the additional Council Tax income from the 200% levy on Second Homes</li> <li>- To claim the additional income and use to support general council spending</li> </ul>
<b>Consultation(s)</b>	Portfolio Holder for Housing and Peoples' Services. Officers in Finance, Housing Options, Estates and Property Services
<b>Recommendations</b>	It is recommended that Cabinet agree the proposed use of additional income from Second Homes Council Tax to fund the housing projects set out in this report.
<b>Reasons for recommendations</b>	To seek approval for the use of resources to help tackle homelessness and housing need
<b>Background papers</b>	Local Authority Housing Fund Round 4 – Purchase of Temporary Accommodation – Cabinet April 2026

<b>Wards affected</b>	Districtwide
<b>Cabinet member(s)</b>	Cllr. Jill Boyle, Portfolio Holder for Housing and Peoples' Services
<b>Contact Officer</b>	Nicky Debbage, Housing Strategy & Delivery Manager, <a href="mailto:nicky.debbage@north-norfolk.gov.uk">nicky.debbage@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Meeting our Housing Need.
Medium Term Financial Strategy (MTFS)	Homes acquired for Temporary Accommodation for homeless households will deliver financial savings compared to the cost of alternatives such as nightly paid accommodation. In the longer term the provision of new affordable housing will also help to tackle homelessness and the costs of this to the Council

Council Policies & Strategies	NNDC Housing Strategy 2021-2025 Homelessness and Rough Sleeper Strategy
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<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	NA
Details of any previous decision(s) on this matter	NA

## 1. Purpose of the report

- 1.1 North Norfolk District Council will claim 25% of the additional income raised from the 200% Council Tax charge for Second Homes. As was the case in 2025/26, NNDC proposes to use this additional income to mitigate the potential impact of high levels of Second and holiday homes - to help tackle homeless and support building of more affordable homes for local households.
2. This report provides details of housing projects it is proposed to fund from the additional income. This use is reflected in the 2026/27 Capital programme and the Out-turn report 2025/2026.

## 2. Introduction & Background

- 2.1. Following the introduction of powers in the Levelling-up and Regeneration Act 2023, NNDC introduced a 200% Council Tax charge for Second Homes from April 2025. North Norfolk has one of the highest levels of Second Homes (as well as holiday let homes) in the country which has a negative impact on the availability of homes that are affordable to local households – either to rent or to buy. As at April 2026 there were 5,617 recorded Second Homes (4,259 liable to pay the 200% premium and 1,558 other not liable for the premium – in most cases because they have planning restrictions preventing year-round occupation). Second homes account for 10% of all Council Tax homes in the district and there are a further 2,393 properties used as holiday let homes – meaning 14% of all homes are used as Second or holiday let homes and so not available as homes for local households.
- 2.2. The forecast of income from our 25% share of the additional Council Tax raised as result of the second homes levy in 2025/26 was £1.31m. It was agreed to use this income to tackle homelessness and housing need in the district. £1m was allocated to purchase of Temporary Accommodation (to help the Council purchase seven more homes for homeless households) and £300k was allocated for grant to support organisations to provide more affordable homes.
- 2.3. In 2026/27 the forecast of our 25% share of the additional Council Tax raised as result of the second homes levy in 2026/27 is £1.696m.

## 3. Use of the additional Council Tax income

- 3.1 It is proposed to use the additional Council Tax income from Second homes in a similar way in 2026/27, i.e. a split between the Council's purchase of temporary accommodation for homeless households and grant to support other organisation provide new affordable homes.
- 3.2 In April 2026 Cabinet received a report setting out that we had negotiated £1.336 of grant funding in Round 4 of the Government's Local Authority Housing Fund (LAHF). This grant is to help purchase a further nine units of Temporary Accommodation for homeless households. The estimated capital funding needed to acquire an additional nine homes in 2026/27 is £2.24m. With the LAHF grant of £1.336m this requires £904k of match funding – which will be funded from Second homes additional Council Tax income.
- 3.3 The Capital programme includes a 2026/27 TA budget of £2,825,972. This figure is the sum of £1,336,000 LAHF grant, £904,000 Second Homes Council Tax and £575,972 carry forward. The Council was due to purchase seven additional homes for TA in 2025/26 – we completed the purchase of five of these in 2025/26 but two were not due to complete until early 2026/27, hence the level of carry forward. We have identified and had offers accepted on four of the nine additional homes to be acquired in 2026/27.
- 3.4 Much of the enabling grant the council uses to support provision of new affordable homes comes from section 106 monies. These are paid by developers in lieu of on-site affordable homes, and they can only be used in certain ways, for example they can only be paid to a Registered Provider of social housing (housing association). In the last three years the Council has provided over £1.5m of section 106 grant to Registered Providers and has committed to give another £325k. These grants have helped to support delivery of new affordable homes in Holt, West Beckham, Swanton Novers, Salthouse, Warham, Walcott, Cromer and Stalham.
- 3.5 There are other community led organisations who are not all Registered Providers, but who provide affordable housing – often in parts of the district with high levels of second and holiday let homes (e.g. Wells, Blakeney, Holt and Sheringham). To support these valuable organisations, we also have a Community Housing budget to provide greater flexibility to help deliver affordable homes in the district. We have given £1.2m of Community Housing to support community housing organisations like Homes For Wells and Holt Housing Society to provide local homes for local communities.
- 3.6 For 2026/27 we plan to use £580,000 of the additional Second homes Council Tax to fund the Community Housing budget, which will enable us to give grants to housing organisation for provision of affordable homes. Grants will be used to help provide affordable homes in Holt, Wells, Blakeney and Wiveton. We will work with our RP partners and community organisations to identify any other housing schemes at risk that need further financial support to ensure delivery of badly needed homes. The Capital programme elsewhere on today's agenda shows a 2026/27 Community Housing budget of £689,161 this figure includes £580,000 Second Homes Council Tax and £109,161 of carry forward budget from 2025/26.

#### **4. Corporate Priorities**

- 4.1 Using Second Homes Council Tax premium to provide more Temporary Accommodation and affordable homes in the district is in line with the Corporate Plan priority of “*Meeting Our Local Housing Need*” and specifically the aims of “*Increasing our portfolio of Temporary Accommodation to support residents in crisis*” and “*Supporting the delivery of more affordable housing, utilising partnership and external funding wherever possible*”.

## **5 Financial and Resource Implications**

- 5.1 As set out above we have forecast income of £1.696m from our 25% of the additional income raised through the 200% Council Tax charge on Second homes. It is proposed that £904k of this is used to support purchase of TA for homeless households and £580k is used to help provide grants to housing organisations to provide additional affordable homes. The remaining forecast income of £212k has not yet been allocated and this position will be reviewed during 2026/27 – dependent on actual collection rates of Second Homes Council Tax and spend on housing projects.

### **Comments from the S151 Officer:**

*Acquisition of Temporary Accommodation units provides needed mitigation for the Revenue shortfall in providing the homelessness service. The expanding portfolio of up to 41 units by the end of 2026/27 will incur incremental management costs which also will be funded by second homes premium receipts, both directly and by rebate from Norfolk County Council.*

## **6 Legal Implications**

- 6.1 The Council can hold in the General Fund, and let on license, homes to be used for TA for homeless households. Legal input will be required to ensure effective purchase of homes and to identify any legal constraints on properties that are considered for purchase.
- 6.2 The Council can provide grants to Registered Providers and other housing organisations to help ensure the provision of affordable housing. Legal input will be required to produce Funding Agreements to be used to ensure funding is used effectively.

### **Comments from the Monitoring Officer**

## **7 Risks**

- 7.1 NNDC will be responsible for the acquisition, long-term management and maintenance of homes used as Temporary Accommodation and for managing the associated financial risks. The Council has acquired 31 homes over the last few years and processes have been put in place to ensure these risks are minimised.

- 7.2 The use of Funding Agreements setting out detailed terms for the use of any grant and its repayment, should a scheme not go ahead, will help mitigate any risk of grant not being used effectively.

## **8 Net Zero Target**

- 8.1 Homes purchased for use as TA will need to achieve good energy standards, and improvements to heating and insulation will be undertaken where required to ensure this – the aim will be for homes purchased to have an Energy Performance Certificate rating of at least C (preferably a B) if it is possible to achieve this within the agreed budget. However, the addition of these properties to our estate will increase the Council's carbon footprint. This will need to be off-set in order to achieve the carbon net zero policy by 2030. As the homes purchased will be existing homes, the overall 'community' emissions will not increase as a result of purchases.
- 8.2 New homes developed by Registered Providers will have high energy efficiency standards (typically EPC rating A) and low carbon emissions and a focus on renewable energy sources.

## **9 Equality, Diversity & Inclusion**

- 9.1 Three homes part funded by LAHF grant will be prioritised for use as resettlement temporary accommodation for Afghan refugee households. Long-term, all the homes would be available to households on the Council's housing list as temporary accommodation. Therefore, there are not considered to be any negative impacts on EDI.

## **10 Community Safety issues**

- 10.1 The Council will work with partner agencies to ensure the safety of households accommodated in these properties.

## **Conclusion and Recommendations**

North Norfolk District Council will claim 25% of the additional income raised from the 200% Council Tax charge for Second Homes.

As was the case in 2025/26, NNDC proposes to use this additional income to mitigate the potential impact of high levels of Second and holiday homes - to help tackle homeless and support building of more affordable homes for local households.

It is recommended that Cabinet agree the proposed use of additional income from Second Homes Council Tax to fund the housing projects set out in this report