



Sandwell Metropolitan Borough Council

**Revenues and Benefits Service
Council Tax Award of Discount
Policy**

2025/26



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1. INTRODUCTION

- 1.1 The Local Government Finance Act 1992 provides Local Authorities with the necessary powers to reduce Council Tax by awarding discounts where specific prescribed circumstances prevail.

Each Local Authority has the right to set the level of empty property discounts to be levied on Council Tax accounts in their area.

2. GENERAL PRINCIPALS/REGULATIONS

- 2.1 Section 11(A) of the Local Government Act 1992, introduced by Section 75(1) of the Local Government Act 2003 gives Local Authorities the flexibility to determine what, if any, discounts should be applied to empty properties.

- 2.2 Section 11B of the Local Government Finance Act 1992, introduced by Section 12 of the Local Government Finance Act 2012, allowed for Local Authorities to charge an amount for Council Tax where properties have remained empty and unfurnished for a period of 2 years or more.

The charges were further amended by the Rating (Properties in Common Occupation) and Council Tax (Empty Dwellings) Act 2018. This is known as an 'Empty Homes Premium' and the charges are shown in Section 3 below.

From 01 April 2024 based on the recent Levelling up and Regeneration Bill of 2022 a further amendment to this section of the Local Government Finance Act will allow for Local Authorities to charge an amount for Council Tax where properties have remained empty and unfurnished for a period of 1 year or more.

The Bill also recognises the impact that high levels of second home ownership can have in some areas and will introduce a new discretionary Council Tax premium on second homes of up to 100% from 01 April 2025.

As of 01 November 2024, and to be implemented from 01 April 2025, The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 will amend the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (“the 2003 Regulations”) and prescribe additional classes of dwellings in relation to which a billing authority may not make a determination to apply a higher amount of Council Tax on long-term empty homes and/or dwellings occupied periodically (often referred to as second homes).

Some of the exceptions are time limited to 12 months and others run for as long as the dwelling meets the qualifying criteria. The instrument also makes necessary amendments to the Council Tax (Administration and Enforcement) Regulations 1992, the Council Tax (Demand Notices) (England) Regulations 20113 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 20124, consequential on the introduction of the premium on second homes through section 80 of the Levelling-up and Regeneration Act 2023.

3. PROCESS FOR SERVICES / PROVIDERS

- 3.1 The purpose of this policy is to outline the level of discount that Sandwell has resolved to apply under the regulations highlighted in Section 2 above.
- 3.2 Discounts will be applied based on information received, Council Tax accounts will be updated, and revised bills issued accordingly.

3.4 The level of Council Tax discounts

Properties which are unoccupied but furnished:

This 0% discount is known as a ‘Prescribed Class B’ (or ‘PCLB’) discount

No discount is applied which means an empty furnished property has a full 100% Council Tax charge levied.

A Second Home Premium will also be applied to these properties and will therefore attract an additional 100% charge as of 01 April 2025.

200% Council Tax is payable from the date a property becomes empty but furnished, regardless of any change in ownership.

From 01 April 2025 some exceptions will apply to the additional 100% Second Home Premium for a maximum period of 12 months however, the 100% charge will remain payable (unless stated otherwise below):

- Properties that are or would be someone's sole or main residence if they were not residing in job related armed forces accommodation will not be subject to a premium.
- Annexes forming part of, or being treated as part of, the main dwelling will not be subject to a premium.
- Properties being actively marketed for sale, the exception will end either when the 12-month period has ended, when it has been sold, or when the property is no longer actively being marketed for sale.
- Properties being actively marketed for let, the exception will end either when the 12-month period has ended, when it has been let, or when the property is no longer actively being marketed for let.
- Properties which fell within exempt Class F and where probate has recently been granted.
- Job-related second homes will not be subject to a premium and will attract a 50% charge and not 100% (this exception will not apply to cases where someone chooses to have an additional property to be closer to work while having a family home elsewhere or where an individual is posted to a new location but maintain their previous address).
- Occupied caravan pitches and boat moorings will not be subject to a premium.
- Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously will not be subject to a premium.

Empty & unfurnished property

Properties which are unoccupied and unfurnished:

No discount is applied which means an empty & unfurnished property has a full 100% Council Tax charge levied.

100% Council Tax is payable from the date a property becomes empty and unfurnished, regardless of any change in ownership.

This 0% discount is known as a 'Prescribed Class C' (or 'PCLC') discount

After two years, prior to the 1st April 2024 additional premiums for long-term empty homes will apply. (See below)

From the 1st April 2024 these additional premiums will now apply after one year

Uninhabitable property

Properties which are uninhabitable:

No discount is applied which means uninhabitable property has a full 100% Council Tax charge levied.

100% Council Tax is payable from the date a property becomes empty and uninhabitable, regardless of any change in ownership.

This 0% discount is known as a 'Prescribed Class D' (or 'PCLD') discount

The maximum length of this discount is one year, after which, if it is empty and unfurnished, it will change to a 0% Prescribed Class C discount (100% charge)

After two years, prior to the 1st April 2024 additional premiums for long-term empty homes will apply.

From the 1st April 2024 these additional premiums will now apply after one year.

From 01 April 2025 Empty properties requiring or undergoing major repairs or structural alterations as outlined in the Local Government Finance Act 1992, may be entitled to a maximum of a 12-month exception to the Empty Homes Premium (additional 100%), however, the 100% charge will remain payable.

Long term empty property - 'Empty Homes Premium'

Prior to 1st April 2019, properties which had been empty and unfurnished for two years or more were charged an additional 50% 'empty premium' which generated a Council Tax charge of 150%. During the period 1st April 2019 and 31st March 2024 properties which are empty and unfurnished for two years or more are charged an additional 100% 'empty premium' which generates a Council Tax charge of 200%.

- From 1st April 2024 onwards, a 100% 'premium' will apply to homes empty over 1 year, generating a Council Tax charge of 200%.
- From 1st April 2020 onwards, a 200% 'premium' applies to homes empty for over 5 years, generating a Council Tax charge of 300%.
- From 1st April 2021 onwards, a 300% 'premium' applies to homes empty for over 10 years, generating a Council Tax charge of 400%.

The appropriate premium shall apply in all cases 2, 5 or 10 years from the date the premises first became empty.

From 01 April 2025 some exceptions will apply to the additional 100% Empty Property Premium for a maximum period of 12 months however, the 100% charge will remain payable (unless stated otherwise below):

- Properties that are or would be someone's sole or main residence if they were not residing in job related armed forces accommodation will not be subject to a premium.
- Annexes forming part of, or being treated as part of, the main dwelling will not be subject to a premium.
- Properties being actively marketed for sale, the exception will end either when the 12-month period has ended, when it has been sold, or when the property is no longer actively being marketed for sale.
- Properties being actively marketed for let, the exception will end either when the 12-month period has ended, when it has been let, or when the property is no longer actively being marketed for let.
- Properties which fell within exempt Class F and where probate has recently been granted.

3.5 Appeals

Liable parties can appeal under S16 of the Local Government Finance Act 1992) if they disagree with either:

- the decision to treat a property as empty and hence apply empty property charges on a particular account based upon facts of that *individual case*; and/or
- the levy of an Empty Homes Premium on a particular account based upon facts of that *individual case*

In the case of an individual appeal under S16 of the Local Government Finance Act 1992, appeals should initially be made in writing to Sandwell MBC. If still aggrieved, appeals may be made to the Valuation Tribunal Service.

However the principle itself of applying 0% discount on empty property and/or the levy of Empty Homes Premium charges in Sandwell is *not* open to general appeal as it is the resolution of the Council and as such can only be appealed via Judicial Review

4. POLICY REVIEW

- 4.1 This policy will be reviewed on an annual basis.

5. EQUALITIES

- 5.1 This policy has been produced in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified as a result of this policy.