



**Sandwell Metropolitan Borough Council**

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

**2023/24**

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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%. In

Sandwell we consider a second home to be a property which is empty and substantially furnished.

### 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

##### Empty but furnished property

Properties which are unoccupied but furnished:

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

100% council tax is payable from the date a property becomes empty but furnished, regardless of any change in ownership.

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

##### **From 01 April 2024:**

##### Empty but furnished property

Properties which are unoccupied but furnished:

No discount is applied which means 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.

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

### Empty & unfurnished property current rules

Properties which are unoccupied and unfurnished:

No discount is applied which means 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, additional premiums for long-term empty homes will apply. (See below)

### Uninhabitable property current rules

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, additional premiums for long-term empty homes will apply. (See below)

### Long term empty property - 'Empty Homes Premium' current

Prior to 1<sup>st</sup> 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 1<sup>st</sup> April 2019 and 31<sup>st</sup> 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%.

### **Changes from 1<sup>st</sup> April 2024**

- From 1<sup>st</sup> April 2024 onwards, a 100% ‘premium’ will apply to homes empty over 1 year, generating a Council Tax charge of 200%.
- From 1<sup>st</sup> April 2020 onwards, a 200% ‘premium’ applies to homes empty for over 5 years, generating a Council Tax charge of 300%.
- From 1<sup>st</sup> 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.

There shall be no exceptions to the implementation of any premium.

## **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.