



Department for Communities and Local Government

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Council Tax Information Letter 2/2012

The topics covered in this letter are:

- Potential Council Tax Discount on Empty Homes

Potential Council Tax Discount on Empty Homes

On 28th May the Government Published "Technical Reform for Council Tax: Summary of Responses Report". This set out how the Government intended to proceed with its proposed programme of technical reforms which will be implemented through the Local Government Finance Bill - which is currently before Parliament - and through subsequent regulations.

Following publication, a number of authorities contacted the Department seeking clarification on the proposed discounts for properties that are unoccupied and unfurnished. Such properties currently fall under the Class C exemption set out in the Council Tax (Exempt Dwellings) Order 1992. In particular, authorities sought clarification on the flexibility to vary the level of discount over time (for example, allowing a discount to be applied for a period a few months to benefit short-term empty homes, rather than removing it completely).

Ministers have carefully considered these representations. In keeping with the spirit of the proposed reforms, the Government intends to allow councils complete discretion over the level of council tax discount and the time-period for which it may apply to an empty home.

As confirmed in the Consultation Response (and subject to the Bill receiving Royal Assent), a dwelling that has been unoccupied and substantially unfurnished for a continuous period of at least two years may be subject to an Empty Homes Premium of up to 50%, if a billing authority decides to implement such a scheme.

This change will not affect the basis of calculation of the New Homes Bonus, which uses a six-month threshold to distinguish between short-term and long-term empty properties. Local authorities will need to ensure that they have the necessary internal procedures in

place in order to continue to collect the data necessary for those calculations, and the Government will expect any local authority exercising such flexibilities to continue to collate accurate statistics to assist the New Homes Bonus allocations.

Any questions on New Homes Bonus calculations or data requirements should be sent to NewHomesBonus@communities.gsi.gov.uk