



Department for  
Communities and  
Local Government

## Technical Reforms to Council Tax

Determining the circumstances in which dwellings should not be liable to the empty homes premium.

© Crown copyright, 2012

*Copyright in the typographical arrangement rests with the Crown.*

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

This document/publication is also available on our website at [www.communities.gov.uk](http://www.communities.gov.uk)

Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU  
Telephone: 030 3444 0000

September 2012

ISBN: 978-1-4098-3659-9

# The Consultation Process and How to Respond

## Scope of the consultation

<b>Topic of this consultation:</b>	Technical Reforms to Council Tax – Empty Homes Premium
<b>Scope of this consultation:</b>	This consultation sets out the Government’s proposals on dwellings which will not be liable for the council tax empty homes premium
<b>Geographical scope:</b>	England.
<b>Impact Assessment:</b>	The introduction of the Empty Homes Premium formed part of the Impact Assessment for the whole package of technical reforms, and is available at: <a href="http://www.communities.gov.uk/publications/localgovernment/lgfbcounciltaxia?view=Standard">http://www.communities.gov.uk/publications/localgovernment/lgfbcounciltaxia?view=Standard</a>

## Basic Information

<b>To:</b>	This consultation is aimed primarily at local government.
<b>Body responsible for the consultation:</b>	The Department for Communities and Local Government is responsible leading on the policy and the consultation exercise.
<b>Duration:</b>	<b>28 September 2012 to 9 November 2012</b>
<b>Enquiries and how to respond</b>	<p>For enquiries and to respond to this consultation. Please e-mail: <a href="mailto:counciltax.consultations@communities.gsi.gov.uk">counciltax.consultations@communities.gsi.gov.uk</a></p> <p>When responding, please ensure you have the words “council tax empty homes premium exceptions” in the email subject line.</p> <p>Alternatively you can write to: Council Tax Team Department of Communities and Local Government 5/E2 Eland House Bressenden Place LONDON SW1E 5DU</p>

	For more information, please see <a href="http://www.communities.gov.uk">www.communities.gov.uk</a>
<b>Compliance with the Code of Practice on Consultation:</b>	This consultation complies with the Code and it will be for 6 weeks. We are seeking views from billing authorities and members of the public.

## Background

<b>Getting to this stage:</b>	The Department consulted on proposals to allow billing authorities to charge council tax premium of up to 50 per cent extra council tax on properties left unoccupied and unfurnished for more than two years. The consultation and summary of responses are available at <a href="http://www.communities.gov.uk/publications/localgovernment/technicalreformcounciltax">http://www.communities.gov.uk/publications/localgovernment/technicalreformcounciltax</a> and <a href="http://www.communities.gov.uk/publications/localgovernment/technicalreformcounciltaxsors">http://www.communities.gov.uk/publications/localgovernment/technicalreformcounciltaxsors</a>
<b>Previous engagement:</b>	See above

## How to respond

1. Responses to this consultation must be received by **9 November 2012**.

2. You can respond by email to:  
 counciltax.consultations@communities.gsi.gov.uk  
 or write to:

Council Tax Team  
 Department for Communities and Local Government  
 5/E2 Eland House  
 Bressenden Place  
 London SW1E 5DU

3. When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of an organisation, please give a summary of the people and organisations it represents and, where relevant, who else you have consulted in reaching your conclusions.

## Additional copies

4. This consultation paper is available on the Department for Communities and Local Government website at [www.communities.gov.uk](http://www.communities.gov.uk)

## Confidentiality and data protection

6. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

7. If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, in itself, be regarded as binding on the department.

8. DCLG will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. Individual responses will not be acknowledged unless specifically requested.

## Help with queries

10. Questions about the policy issues raised in the document can be sent to the address given at paragraph 2 above.

11. A copy of the consultation criteria from the Code of Practice on Consultation is at <http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>. Are you satisfied that this consultation has followed these criteria? If not or you have any other observations about how we can improve the process please email: [consultationcoordinator@communities.gsi.gov.uk](mailto:consultationcoordinator@communities.gsi.gov.uk)

or write to:

DCLG Consultation Co-ordinator  
Zone 8/J6  
Eland House, Bressenden Place  
London  
SW1E 5DU

# Contents

Chapter 1 - Introduction

Chapter 2 - Government's proposal on determining the circumstances in which dwellings should not be liable to the empty homes premium

Annex A: Current exemptions from council tax

# Chapter 1

## Introduction

- 1.1 The Local Government Finance Bill (the Bill) supports the Government's commitment to delivering economic growth, decentralising control over finance and reducing the deficit. The Bill includes provisions that will allow a billing authority to charge an empty homes premium (the Premium) to provide a stronger incentive to get homes back into productive use and remove the blight of such properties on local neighbourhoods.
- 1.2 The Premium was subject to a consultation, *Technical Reforms to Council Tax*, which ended on 29 December 2011. The Government published its response on 28 May 2012 - which confirmed its intention to proceed with the Premium and stated that it will not be payable until a dwelling has been empty and unfurnished for two years and the maximum premium which an authority will be able to charge will be 50 per cent.
- 1.3 It will be for individual billing authorities to design their own schemes for applying the Premium in their local area. As part of this, they will determine both the circumstances in which it may be charged, and the level at which it will be set. However, the Government believes that there are circumstances where it would be inappropriate for the Premium to apply. In this context, the Bill gives the Secretary of State the power to prescribe such circumstances in regulations.
- 1.4 This consultation therefore seeks views on the Government's proposals on exceptions to the Premium – dwellings which may otherwise be liable for the Premium, but which are subject to circumstances which mean that it would not be appropriate for it to apply.
- 1.5 This consultation will close on 9 November 2012. Details of how to respond to this consultation are set out at the beginning of this document. It is the Government's intention that the Premium will be able to be levied from 1 April 2013 and properties which will not be liable for the Premium will be finalised by this date.

# Chapter 2

## **Government's proposals on the circumstances in which dwellings should not be liable to the empty homes premium**

### *Existing council tax exemptions*

It is the Government's clear intention that dwellings that are exempt from council tax should/will not be liable to the empty homes premium. The current council tax exemptions are set out in Annex A<sup>1</sup>.

### *Other circumstances*

In addition to properties exempt from council tax, the Government proposes that there are other circumstances in which dwellings should not be liable to the empty homes premium. These are considered below.

- A dwelling which is genuinely on the market for sale or letting.

The Government believes that the Premium will provide a useful incentive to encourage property owners to take steps to make use of dwellings that have otherwise been left unoccupied and substantially unfurnished. Given this, the Government proposes that the Premium should not be chargeable where owners are making genuine efforts to sell or let their properties. We consider that authorities will already have in place tools for assessing which dwellings would qualify for this exception in their locality.

- A dwelling which is the sole or main residence of a member of the armed forces, who is absent from the property as a result of such service.

The council tax system already recognises the particular circumstances of members of the armed forces who are absent from their homes as a result of their service. As expressed in the Armed Forces Covenant, the Government believes that members of the armed forces should face no disadvantage as a result of their service. Given this, the Government

---

<sup>1</sup> The Government has confirmed its intention to abolish the existing Class A exemption for empty dwellings undergoing major repair and the existing Class C exemption for dwellings which become empty and unfurnished for up to six months. Instead, in those circumstances, the Government is empowering billing authorities to offer a discount, which they may set at 100 per cent, or any lower percentage which seems reasonable to them having regard to local circumstances.

believes that it would not be appropriate for the premium to be chargeable on a dwelling that is the sole or main residence of a member of the armed forces, where that person is absent from that dwelling as a result of their service.

- An annex deemed unoccupied because it is being treated by the occupier of the main dwelling, as part of that main dwelling.

Under council tax rules, parts of a dwelling constructed or adapted for separate occupation (e.g. an annex) are treated as separate dwellings for the purposes of council tax. Each dwelling could, therefore, be potentially liable for the Empty Homes Premium. In its response to its consultation on *Technical Reforms to Council Tax*, the Government committed to undertake a broader review of how annexes for family homes can be supported, including through the council tax system. While that review is underway, the Government wants to clarify its intention that the Premium should not be chargeable on a substantially unfurnished annex which is deemed unoccupied because it is being treated by the occupier of the main dwelling as part of that main dwelling.

The Government would welcome respondents' views on these proposed exceptions to the Premium. In particular, respondents' are asked to consider the following questions:

**Question 1: Do you agree with the Government's proposals on the circumstances in which property should not be liable to the empty homes premium?**

**Question 2: Do you consider that these circumstances should be set out in regulations?**

**Question 3: Are there any other circumstances in which property should not be liable to the empty homes premium, and why?**

# Annex A

## Current exemptions from council tax

Class	Description
A	Vacant dwellings where major repair works or structural alterations are required, under way or recently completed (up to twelve months). [This exemption is subject to reform].
B	Unoccupied dwellings owned by a charity (up to 6 months)
C	A vacant dwelling (i.e. empty and substantially unfurnished) (up to six months). [This exemption is subject to reform].
D	A dwelling left unoccupied by people who are in prison.
E	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
F	Dwellings left empty by deceased persons (6 months from date of probate).
G	An unoccupied dwelling where the occupation is prohibited by law.
H	Unoccupied clergy dwellings.
I	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved to receive personal care.
J	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person.
K	An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
L	An unoccupied dwelling which has been taken into possession by a mortgage lender.
M	A hall of residence provided predominately for the accommodation of students.
N	A dwelling which is occupied only by students, the foreign spouses of students or school and college leavers
O	Armed forces' accommodation
P	A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
Q	An unoccupied dwelling where the person who would otherwise be liable is a trustee in a bankruptcy.
R	Empty caravan pitches and boat mooring.
S	A dwelling occupied only by a person, or persons, aged under 18.
T	A dwelling which forms part of a single property which includes another dwelling and may not be let separately from that dwelling, without a breach of planning control.
U	A dwelling occupied only by a person, or persons, who is or are severely mentally impaired who would otherwise be liable to pay the council tax or only by one or more severely mentally impaired person
V	A dwelling in which at least one person who would otherwise be liable is a diplomat.
W	A dwelling which forms part of a single property, include at least one or other dwelling, and which is the sole or main residence of a dependent relative of a person who is resident in the other dwelling.