

## **London Borough of Newham Council Tax**

### **Council Tax discounts and premiums for empty and unfurnished dwellings or properties undergoing major repair work**

### **Policy for each financial year beginning on or after 1 April 2019**

## **Council Tax discounts and premiums for empty and unfurnished dwellings or properties undergoing major repair work**

### **1.0 Introduction**

1.1 The Local Government Finance Act 2012 amends the Local government Finance Act 1992, abolishing Council Tax exemptions for certain empty dwellings and increasing local authorities' discretion over discounts for empty dwellings.

1.2 The Act also gives local authorities a new discretion to increase the Council Tax for certain empty dwellings.

1.3 This document describes the London Borough of Newham's policies in relation to the new and amended powers.

### **2.0 Dwellings which are unoccupied and substantially unfurnished Class C of The Council Tax (Prescribed Classes of Dwellings)(England) Regulations 2003, amended by The Council Tax (Prescribed Classes of dwellings)(England)(Amendment) Regulations 2012**

2.1 The exemption for dwellings which are unoccupied and substantially unfurnished has been abolished with effect from 1 April 2013.

2.2 In place of the exemption, the London Borough of Newham will grant a discount of 100% for a period up to and including one month since the dwelling was last occupied, so long as the dwelling remains unoccupied throughout the whole of the period.

2.3 There will not be a further discount if the dwelling has remained unoccupied for more than one month, irrespective of any changes in Council Tax liability for the dwelling while it remains unoccupied.

### **3.0 Dwellings undergoing major repair work to make them habitable Class D of The Council Tax (Prescribed Classes of Dwellings)(England) Regulations 2003, amended by The Council Tax (Prescribed Classes of dwellings)(England)(Amendment) Regulations 2012**

3.1 The exemption for dwellings undergoing major work to make them habitable has been replaced with a local discretion to award a discount of between 100% and 0%.

3.2 The London Borough of Newham has decided not to apply a discount in these circumstances.

#### **4.0 Empty dwelling premium as allowed by section 11B of the Local Government Finance Act 1992, inserted by The Local Government Finance Act 2012.**

4.1 From 1<sup>st</sup> April 2013 where a dwelling remains unoccupied and substantially unfurnished for a period of two years or more. Newham Council will charge an empty homes premium of 50% in addition to the full Council Tax charge.

4.2 From 1<sup>st</sup> April 2019 where a dwelling remains unoccupied and substantially unfurnished for a period of two years or more. Newham Council will charge an empty homes premium of 100% in addition to the full Council Tax charge.

4.3 From 1<sup>st</sup> April 2020 where a dwelling remains unoccupied and substantially unfurnished for a period of five years or more. Newham Council will charge an empty homes premium of 200% in addition to the full Council Tax charge.

4.4. From 1<sup>st</sup> April 2021 where a dwelling remains unoccupied and substantially unfurnished for a period of ten years or more. Newham Council will charge an empty homes premium of 300% in addition to the full Council Tax charge.

4.2 However, regulations provide for two classes of dwelling to which the premium must not apply:

Class E - Dwellings which would otherwise be the sole or main residence of a member of the armed forces, who is absent from the property in order to serve with the armed forces

Class F – Dwellings which form part of a single property which is being treated by a resident of that property as part of the main dwelling.

The exemptions for Class E and Class F properties are made by The Council Tax (Prescribed Classes of Dwellings)(England) Regulations 2003, amended by The Council Tax (Prescribed Classes of Dwellings)(England)(Amendment) Regulations 2012