

## **Camden Council Local Discounts and Levies 2026/27**

Review Cycle: Annual (to align with tax base setting)

Date: 18 November 2025

### **Purpose and scope**

The purpose of this document is to set out the local discounts and levies that will be applied in 2026/27 to eligible accounts which, because of their application, have an impact on the tax base calculation.

There are a number of nationally set exemptions and discounts that Camden has no discretion over applying as they are set nationally.

However, by setting out the local decisions Camden have made regarding various discounts and exemptions permitted in overriding legislation and regulations, it ensures that Cabinet and Council are clear annually what local discounts form part of our taxbase and therefore ensure they are conscious that if they approve the taxbase report they are therefore actively approving that any existing local discounts and levies in this document are applied in the relevant year the taxbase relates to.

Where a new local discount or levy is to be introduced it will go through the required governance process both to meet any statutory requirements but also the Councils own governance process itself.

Any decision to vary or revoke a determination to apply a levy on long term empty or second home properties or to our local discounts must be made before the financial year to which it applies. This is both to ensure we calculate the taxbase correctly but also to ensure residents and taxpayers are given advanced notice of the changes.

### **Relevant legislation and regulations**

Council Tax itself is born from the Local Government Finance Act 1992 with Sections 11 (including A-D) and Section 13 (including 13a) being key:

<https://www.legislation.gov.uk/ukpga/1992/14/contents>

National exemptions from Council Tax are set out in the Council Tax (Exempt Dwellings) Order 1992: <https://www.legislation.gov.uk/uksi/1992/558/contents> as well as The Council Tax (Chargeable Dwellings, Exempt Dwellings and Discount Disregards) Amendment Order 1992 and subsequent amendments:

However, the Local Government Act 2003 and then the Local Government Finance Act 2012 made provision for local authorities to have greater discretion over the level of discounts:

<https://www.legislation.gov.uk/ukpga/2012/17/contents>

## National exemptions and discounts Camden has to apply that reduce the Council Tax base

The following is a list of exemptions the council must apply if the person / household meets required eligibility criteria. If the qualifying criteria is met the Council Tax chargeable is reduced to £0 (nil) for the qualifying period:

- Class B – empty property owned by a charity & used for charitable purposes up to the date it became vacant
- Class D – empty property as person detained (In prison or hospital, under the mental health act, etc.)
- Class E – empty property as the person is in a care home or hospital
- Class F – empty property awaiting probate where the liable party is deceased. Further 6 months maximum exemption available if it remains empty once probate is granted
- Class G – empty property as occupation is prohibited. A restriction (such as planning restriction or an act of parliament) prohibiting someone occupying it
- Class H – empty dwelling held empty for the purpose of being occupied in due course by a minister of any religious denomination to enable them to perform the duties of their office
- Class I – empty property as liable party is away receiving care for various reasons such as old age, disablement, illness, past or present alcohol or drug dependencies or past or present mental health disorders
- Class J – empty property as liable party is away giving care for a permanent period to assist giving care to someone for various reasons such as old age, disablement, illness, past or present alcohol or drug dependencies or past or present mental health disorders for which the duration away means their sole or main residence is currently classed as the place they are providing care at
- Class K – property left empty by a student owner who is living away permanently from the address whilst undertaking studies
- Class L – repossessed by a mortgagee resulting in the property being empty until sold.
- Class M – Student Halls of residence (occupied)
- Class N – Property occupied solely by qualifying students (occupied)
- Class O – Ministry of Defence property (can be occupied or empty)
- Class P – Visiting forces accommodation (occupied)
- Class Q – empty property in the control of a trustee in bankruptcy
- Class R – Unoccupied pitch (caravan pitch, etc.) or mooring (boat)
- Class S – all occupiers are under 18 (occupied)
- Class T – Unoccupied annex to, or within the grounds of, the owner / tenants home and cannot be let separately from the main property without a breach of planning control
- Class U – currently referred to as occupied by someone with Severe Mental Impairment (SMI), but we believe/hope the definition will change in due course, who is also in receipt of a qualifying national benefit (occupied)
- Class V – Diplomats residence (occupied)

- Class W – annex occupied by a dependent relative of the taxpayer and it either over 65 or Severely Mentally Impaired (SMI) or substantially and permanently disabled.

In addition to the above, there are a number of disregards available (ignoring an individual for the purpose of council tax liability). Depending on the makeup of the household this may mean the person is ignored for Council Tax purposes or that a 25% discount will apply. A common example of this is students. If the whole household are students, the Class N exemption applies. However, if 2 people reside and only 1 is a student then the student is disregarded, and a 25% discount is applied to the bill as only 1 chargeable resident is left (who is responsible for Council Tax on their own) – this mirrors Single Persons Discount in effect. However, if the household has 3 occupiers and only 1 is a student then whilst the 1 person is disregarded, as there are 2 non-students in the household they pay the full council tax charge between them and cannot force the student to contribute.

The following is a list of disregards the council must apply if the person / household meets required eligibility criteria which may or may not result in a reduction in the council tax payable depending on who else is liable at the property:

- Apprentice – employed for the purpose of learning a trade, business, profession, etc. Undertaking a training programme accredited by the Qualifications and Curriculum Authority (or Scottish equivalent) and is receiving an allowance or salary less than would be paid if qualified and, in any case, is less than £195 a week
- Students, student nurses and school leavers – whilst this largely relates to university students who live in households not occupied by solely students, school leavers can also be disregarded where the school leaver is 18 or 19 and leaves in May to October. This is to cover the period when they may leave college / sixth form and go to university in effect when the standard student process would then apply.
- Spouse of a student from abroad – whilst this is a disregard in theory for a spouse or dependent of a student and is prevented by immigration rules from taking paid employment and/or has no recourse to public funds, its purpose is that by disregarding them, if they reside with a student then the household is exempted from paying council tax. Without this the spouse would have been liable for council tax with just a 25% discount.
- Youth training trainee – under 25 and undertaking training under the employment and training act 1973.
- Homes for Ukraine – where a tenant resides who has secured a visa under the Homes for Ukraine (HfU) scheme they are disregarded. This is to protect hosts from losing their own disregards or exemptions.

Other discounts:

- Single Persons Discount (SPD) where the household is occupied by only 1 person 18 years of age or over – reduces the charge by 25%
- Disabled band reduction – this reduces the Council Tax charge by 1 band (or 17% where the original band is A already) where someone in the household is living in a larger property than they would otherwise need were one of the occupants not disabled and the property has either an

extra bathroom, kitchen or another room solely needed for the disabled person or extra space inside the property for using a wheelchair.

## **Levies Camden applies that increase the Council Tax base**

### **Long Term Empty Homes Premium (Empty and Unfurnished properties)**

The Local Government Finance Act 2012 made provision at clause 10 and 11 for the amendment of the Local Government Finance Act 1992 and introduced a provision for setting of an “empty homes premium”. This relates to empty and unfurnished properties as a means to help encourage property owners to get them back into use to help ease the housing shortages or assist councils generating additional revenue to tackle housing shortages.

Section 2 of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 came into force on 1 November 2018 and allowed councils to apply premiums of 100% (double the standard council tax charge) after being empty for 2 years; 200% (triple the standard council tax charge) after being empty for 5 years; and a 300% (quadruple the standard council tax charge) where a property is empty for 10 years or more.

The levelling-up and Regeneration Act 2023 made an additional amendment to 11B of the Local Government Finance Act 1992 that allowed councils to charge the 100% levy after just 1 year. Camden have implemented the change since 1 April 2025, as a result of full council approving its adoption in the tax setting report that the Council approved in March 24. Unless these levies are revoked for 2026/27 it means:

- 100% levy (double standard charge) applies for a property empty and unfurnished for more than 12 months
- 200% levy (triple standard charge) applies for a property empty & unfurnished more than 5 years
- 300% levy (quadruple standard charge) applies for a property empty & unfurnished for more than 10 years.

### **Second Home Premium (furnished)**

The levelling-up and Regeneration Act 2023 also made changes to the Local Government Finance Act 1992 which under section 11c allowed councils to charge the 100% levy (double the standard council tax charge) on a property deemed to be a second home from 1 April 2025. Under council tax legislation this is a furnished property where no one lives or is not the liable parties sole or main residence.

Camden have implemented the change since 1 April 2025, as a result of full council approving its adoption in the tax setting report that the Council approved in March 24. Unless these levies are revoked for 2026/27 it means:

- 100% levy (double standard charge) applies from the point a property becomes empty and furnished.

### **National ‘exceptions’ to the above levies**

The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 sets out a number of mandatory exceptions to the long-term empty homes premium and second home premium. These are contained in the table below. Where a property is excepted from the levy the standard daily council tax will apply unless, as in the case of an annex (possible Class T exemption) or deceased (Class F exemption for 6 months post probate), an exemption may apply. In addition, in relation to the last exception in the list below, where an exempt dwelling is undergoing major repairs or structural alterations Camden would award a 25% discount on the standard Council Tax charge.

<b>Class of dwelling</b>	<b>Application</b>	<b>Definition</b>
Class E	Long-term empty homes and second homes	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation
Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of, the main dwelling
Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale (12 months limit)
Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit)
Class I	Long-term empty homes and second homes	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
Class J	Second homes only	Job-related dwellings provided by your employer and you need to live there for your job either as part of a contract or to perform duties as a Minister of any religious denomination
Class K	Second homes only	Occupied Caravan pitches and moorings
Class L	Second homes only	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
Class M	Long-term empty homes only	Empty dwellings requiring or undergoing major repairs or structural alterations (12 months limit)

## Discounts Camden applies that reduces the Council Tax base

Section 11A of the Local Government Finance Act 1992 was amended by The Local Government Finance Act 2012 to allow councils to set local discounts relating to empty properties.

### **Empty and unfurnished less than 1 year**

For the first month the property is empty a 100% reduction is applied. For months 2 to 12 a 0% discount (standard daily council tax charge) rate applies. After 12 months of continuously being empty, the taxpayer would be liable for the long term empty property levy.

### **Uninhabitable / major works**

This is a 25% discount that applies to an empty property (no one living there and no furniture) for up to 12 months where the property is uninhabitable or undergoing major repairs. This excludes remedial works such as redecoration or fitting new kitchens / bathrooms. To assess the nature supporting evidence must be provided to evidence this and/or an inspection by a Council officer where the works are ongoing. Since 1 April 2025 with the introduction of the national exceptions to the long-term empty and second home premium levies this discount interlinks with the class M exception to the levy to continue to apply our local 25% discount on the standard charge vs charging the standard daily rate.

## **Other Discounts Camden applies that reduces the Council Tax base**

Section 13a of the Local Government Finance Act allows Camden to reduce the amount of Council Tax chargeable on a dwelling.

This forms 2 elements – section 13 1(a) is your local Council Tax Support Scheme; and section 13a 1(c) relates to any other local discount you may wish to apply such as for hardship.

### **Council Tax Support**

Whilst the scheme is implemented under Section 13a of the Local Government Finance Act 1992 which is mainly associated with councils implementing local discounts, a Council must have a Council Tax Support scheme for working age residents. The scheme for pension age claimants is set in statute.

Camden has to review its Council Tax Support scheme annually with a view to whether it should revise or replace its scheme and should it decide to do so any revision or replacement must be made by 11 March in the preceding financial year to that which the changes will take place. Any revision or replacement of the scheme requires public consultation.

Camden's current banded Council Tax scheme has existed since 2020 and incorporates uprating the bands annually in line with the revised London Living Wage (LLW).

This scheme, particularly in light of the uprating of bands linked to LLW rather than the National Living Wage and the fact awards are up to 100% of the Council Tax chargeable, is one of the most generous in the country.

However, this scheme has a significant impact on the Council Tax base as the cost of the scheme ultimately means less money can be raised across the borough.

### **Section 13a Council Tax Discretionary Reductions Policy**

Camden must have a section 13a policy to enable residents to apply for their council tax liability to be reduced to nil. The policy can reduce a liability for council tax for individual cases or classes of cases.

As such, for a number of years Camden has regularly reviewed and updated its Section 13a Discretionary Reductions Policy to implement the following classes of discount:

- Flood /Fire and other environmental factors causing displacement – 100% reduction for the displacement period
- Foster carers who foster for Camden – 100% reduction 7 days after fostering starts
- Family or friends foster carers for Camden – 100% reduction 7 days after fostering starts
- Camden Council care leavers – 100% reduction until a care leaver formerly in Camden's care turns 25
- Camden 'shared lives' scheme carer – 100% reduction from 7 days after fostering starts. Respite carers are only eligible though if they have provided 52 nights respite care placements for the scheme.
- Terminally ill residents struggling financially – 100% reduction for any remaining charge where Council Tax Support is not payable or 100% of the charge if they are not eligible for Council Tax Support at all

However, as a section 13a scheme must not be overly prescriptive / restrictive in terms of considering discretionary reductions in Council Tax chargeable a final category exists:

- Exceptional circumstances – all applications on the grounds of exceptional circumstances will be treated based on their individual merits but must demonstrate meeting specific criteria such as evidencing financial hardship or exceptional personal circumstances to justify the discount; demonstrate they have taken reasonable steps to resolve the situation before applying for this discount; have applied for Council Tax Support (which is a more long term solution for those struggling financially anyway) and all other avenues for a reduction have been explored first – i.e. have they claimed any discounts and exemptions they might be entitled to.