



South Ribble Borough Council

Council Tax Local Empty Discounts and Exemptions Policy

Introduction

The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts in place of statutory exemptions and also allows for the use of premiums for certain long term empty premises. In July 2018 an amendment to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act has given local authorities powers from 1 April 2019 to charge greater Council Tax premiums on homes that have been empty and unfurnished for more than 2 years.

The intention of Central Government is to allow Councils the flexibility in raising additional Council Tax. In addition, Government is keen to ensure that premises do not remain unoccupied or unused for extensive periods and to encourage the maximum use of all available premises within Council areas.

Legislation

- The Local Government Finance Act 1992
- The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012; and
- The Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012
- Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

In addition to the above legislation, Central Government has provided a number of documents to assist local authorities in the implementation of the regulations:

- Technical Reforms of Council Tax - A consultation
- Technical Reforms for Council Tax - A summary of responses;
- Council Tax Information Letter: Council Tax - Definitions of Empty Homes and Second Homes;
- Council Tax - Empty Homes Premium - Guidance - for properties for sale and letting.

Purpose

South Ribble Borough Council (the Council) has approved the following changes to Council Tax exemptions, discounts, long term empty properties and second homes with effect from 1 April 2020 by:

- Removing the 10% discount on second homes (100% charge)
- Levying an increased additional premium on top of Council Tax due on properties that have been empty and unfurnished for at least two years, subject to any statutory or local exceptions

This policy sets out the factors that the Council will take into account when applying a discount, exemption or premium and deciding if any exception to charge of the premium can be granted. Each case will be treated strictly on its merits and all applicants will be treated equally and fairly through administration of the policy.

Council Tax charges in relation to Long Term Empty properties

Council Tax is charged at the full rate (100%) on all long term empty properties. In certain circumstances some dwellings will not be classed as being long term empty dwellings. The majority of these exemptions are determined by Central Government and Legislation.

Exempt Class	Type of Property	Period of Exemption	Class of Property after prescribed period
A (Former)	Property in need or undergoing major repairs	12 Months	Long Term Empty
B	Unoccupied, owned by a charity	6 Months	Long Term Empty
C (Former)	Empty and Unfurnished for up to 6 month	6 Months	Long Term Empty
D	Empty due to a person being in prison	Indefinite	N/A
E	Empty due to a person having gone to live in a care home	Indefinite	N/A
F	Council tax payer deceased	6 Months from Grant of Probate	Long Term Empty
G	Occupation prohibited by law	Indefinite	N/A
K	Dwelling left empty by a student	Indefinite	N/A
L	Unoccupied dwelling where a mortgagee is in possession	Indefinite	N/A
R	Caravan Pitches and Boat Moorings	Indefinite	N/A
W	Dependent Relative	Indefinite	N/A
H	Unoccupied dwelling held for a Minister of Religion	Indefinite	N/A
I	Person living elsewhere to receive personal care	Indefinite	N/A
J	Dwelling left empty by a person providing personal care	Indefinite	N/A
Q	Dwelling Left Empty by a Bankrupt	Indefinite	N/A

Second Homes

A second home is defined as a dwelling, which is no one's sole or main residence but which is furnished.

A charge of 100% is applied for second homes (0% discount). The charge applies to all cases except where the legislation determines otherwise and in those cases (as follows) a charge of 50% will apply (rather than the 100%):

- Dwellings which are furnished but unoccupied because the owner is liable to a Council Tax elsewhere in job-related accommodation;
- Empty but furnished dwellings of service personnel resident in accommodation provided by the Ministry of Defence;
- If the dwelling is a caravan or houseboat; or
- Where members of the clergy are required to live in accommodation provided by their employer to perform the duties of their office.

Council Tax Premium

A premium is charged for empty homes once a property has been empty for a period of two years and where the property is classed as a long term empty property. The follow types of property are excluded from these provisions:

- A dwelling which is the sole or main residence of a member of the armed forces who is absent due to service
- An annex treated as part of the main dwelling

The premium charges that apply are:

Effective Date	Empty Period	Premium	Total Charge
1 April 2020	2-5 years	100%	200%
	5 years+	200%	300%
1 April 2021	2-5 years	100%	200%
	5-10 years	200%	300%
	10 years+	300%	400%

Local Exceptions to the Council Tax Premium

The Council will consider waiving the Council Tax Premium for applicants who meet the qualifying criteria as specified in this policy. The Council will treat all applications on their individual merits, and will seek through the operation of this policy to grant exceptions to additional charge for the Council Tax Premium:

- For those owners who are genuinely attempting to sell or let their property which has been vacant for at least two years
- For those owners who are experiencing exceptional and/or unforeseen circumstances, and/or particular legal or technical issues which is preventing the sale or letting of the property
- Those owners who are in negotiation with the Council with a genuine view to letting the property under the Council's scheme(s).
- Cases where imposition of the Council Tax Premium would result in hardship and a reasonable person would regard the imposition as unfair.

Claiming a Local Exception to the Council Tax Premium

A claim must be made in writing to the Council and signed by the owner of the vacant property or their representative. The claimant must include any relevant supporting evidence.

A Council Officer may make an appointment to visit any applicant who for whatever reason is unable to confirm the details provided, which may necessitate being given access to the premises.

The Council may request any (reasonable) evidence in support of an application but the applicant will be asked to provide the evidence within one month of such a request although this will be extended in appropriate circumstances.

If the claimant is unable to, or does not provide the required evidence, the Council may still consider the application and will take into account any other available evidence including that held at the time on Council Tax records.

The Council reserves the right to verify any information or evidence provided by the applicant.

Payment of Council Tax (including the premium) may not be withheld whilst awaiting the outcome of an application or the review of a previous decision.

Period of Exception

In all cases, the Council will decide the length of time for which an exception will be awarded on the basis of the evidence supplied and the facts known.

The start date of an exception will normally be the date the application is received by the Council providing the Council is satisfied the reasons for the exception existed at that time and the exception will continue for a period of twelve months subject to those circumstances continuing.

The Council will at least annually review the award and request confirmation that the circumstances leading to the award of the exception remain applicable.

The Council will comply with any regulations issued by the Secretary of State in relation to any application and have regard to any related national policy guidance.

Awarding an Exception to the Council Tax Premium

In deciding whether to award an exception to payment of the Council Tax Premium, the Council will take into account the following criteria:

- Owners who are genuinely attempting to sell or let their property which has been vacant for at least two years:
 - Has professional advice and assistance been obtained?
 - It is expected that when a property has been vacant for two years a professional agent with specialist knowledge of the locality will have been engaged.
 - Have any offers to purchase or rent the property been received? If Yes – why were those offers refused?
 - Written confirmation of the reasons for refusal will be required from a professional agent
 - Is the sale price or rental in line with recent sale or rental prices for similar properties in the locality?
 - If no does this property have special features that reasonably warrants a higher value or rent?
 - Has the property been put up for sale by public auction?
- Cases where the dwelling has remained empty beyond a two year period due to exceptional and /or unforeseen circumstances and/or occasionally any other circumstances, proven to be beyond the control of the owner:

- Are the circumstances exceptional or unforeseen?
 - Is there a legal difficulty or issue which is preventing the sale or letting of the property?
 - A solicitor's or legal conveyancer's letter should be produced in evidence, detailing the reasons preventing sale or letting.
 - Is a sale or letting being delayed by the actions of a public body?
 - Full details must be provided, decision to be based on evidence
- Owners who are in negotiation with the Council with a genuine view to letting the property under the Council's Empty Homes policy:
 - Has there been a genuine expression of interest in transferring management of a property via the Council with a view to letting the property to local people with housing needs?
 - The Council's Housing Officer will be asked to confirm details of the expression.
 - The exception would only be applied from the date of signing the approval notice.
- Cases where imposition of the Council Tax Premium would result in hardship and a reasonable person would regard the imposition as unfair.
 - Will imposition of the Council Tax Premium result in the owner suffering hardship?
 - Granting an exception under this criterion is likely to be the exception rather than the rule as it is expected the majority of exceptions will have been granted under earlier criteria.

Changes of Circumstances

The Council may need to revise the decision to grant an exception to the premium if it becomes aware that the circumstances of an applicant have materially changed. Individuals must immediately advise the Council of any change in circumstances affecting the decision.

Notification

The Council will inform the applicant in writing of the outcome of their application within 28 days of receipt, or as soon as possible after. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review.

The right to seek a review

As the exceptions to the premium in this policy are determined locally, any decisions are not subject to a statutory appeals mechanism. The Council will therefore operate its own procedures for dealing with appeals against a refusal to award an exception to the premium.

An applicant (or their appointee or agent) who disagrees with a decision not to award an exception may dispute the decision. A request for a review must be made in writing to the Revenues department within one calendar month of the written decision being issued.

A Revenues officer will review all the evidence held and may ask for further clarification to be provided. A decision will be made within 28 days of the request for a review. The decision will be notified to the claimant in writing, setting out the reasons for the decision.

Where the claimant is still not satisfied, they will be entitled to a further review, provided this is delivered in writing within one calendar month of the date on the decision letter giving reasons for the further review sent by the Revenues officer. This review will be carried out by a Director or Assistant Director of the Council. The decision made following the further review will be notified in writing within 28 days of the request for the review.

Policy effective from 1 April 2020.