



South Somerset District Council

Policy Name: Council Tax - Policy for Second Homes, Empty Properties and discounts for certain dwellings

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1.0 Definitions

Interpretation – an explanation of the terms used within this policy

- 1.1 In this policy
- 'Caravan'** shall be construed in accordance with Part I of the Caravan Sites and Control of Development Act 1960;
 - 'Class A exemption'** shall be construed in accordance with the Council Tax (Exempt Dwellings) Order 1992;
 - 'Class C exemption'** shall be construed in accordance with the Council Tax (Exempt Dwellings) Order 1992
 - 'Class C discount'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003;
 - 'Class D, E & F discount'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended;
 - 'Empty Homes Premium'** shall be construed in accordance with Section 11b Local Government Finance Act 1992;
 - 'Job-related accommodation'** shall be construed in accordance with the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003;
 - 'Long term empty premises'** means all dwellings, which remain unoccupied and substantially unfurnished for a period in excess of six months;
 - 'Second Homes'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003;
 - 'Substantially unfurnished'** means premises where it has been decided by the Council that it has insufficient items to be considered as furnished – each case is determined on an individual basis;
 - 'Technical Reforms'** means the changes applied to the Council Tax regime by Central Government effective from 1st April 2013;
 - 'Unoccupied Dwelling'** shall be construed in accordance with The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012

2.0 Introduction

- 2.1 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. 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.
- 2.2 The following policy details the current approach taken by the Council.

Legislation

- 2.3 The relevant legislation is as follows:
- Section 11a Local Government Finance Act 1992 - Power to determine further discounts for certain dwellings;
 - Section 11b Local Government Finance Act 1992 - Higher amount for long-term empty dwellings: England;
 - The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012;
 - The Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012; and
 - Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

3.0 Second Homes – Policy effective from 1st April 2022

- 3.1 Within the Council Tax legislation, a second home is defined as a dwelling, which is no one's sole or main residence but which is furnished. The Council, under this policy, has determined that from 1st April 2012, a charge of 100% will be applied for second homes (a discount of 0%).
- 3.2 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%) as required by legislation:
- 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.

- 3.3 For the purposes of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings) (England)(Amendment) Regulations 2012 the Council is required to determine the classes under which a discount will be granted. For the purposes of this policy the classes and discounts granted by the Council from 1st April 2013 are as follows:

Class	Description	Discount
A	A dwelling; a. Which is not the sole or main residence of an individual; b. Which is furnished; and c. The occupation of which is restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year	0%
B	A dwelling; a. Which is not the sole or main residence of an individual; b. Which is furnished; and c. The occupation of which is not restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year;	0%

4.0 Empty dwellings (Class C) – Policy effective from 1st April 2022

- 4.1 For Council Tax purposes, the legislation determines that an empty dwelling is one which is unoccupied and substantially unfurnished dwellings as defined within the Council Tax (Prescribed Class of Chargeable Dwellings) Regulations 2003.
- 4.2 The Council has resolved that, from 1st April 2022, if a dwelling becomes unoccupied and substantially unfurnished 100% discount will be given for a period of 3 months only starting with the first day the chargeable dwelling became empty.
- 4.3 No further discount can be applied to a chargeable dwelling until such time as it is re-occupied and furnished for a period of 6 weeks or more.

5.0 Empty dwelling, requiring, or undergoing structural alterations or major repair works to make it habitable (Class D) - Policy effective from 1st April 2022

- 5.1 Class D is defined as every chargeable dwelling:
- (a) Which satisfies the requirement set out in paragraph (b) unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question;
 - (b) The requirement referred to in paragraph (a) is that the dwelling is vacant and:
 - (i) Requires or is undergoing major repair work to render it habitable, or
 - (ii) Is undergoing structural alteration; or
 - (iii) Has undergone major repair work to render it habitable, if less than six months have elapsed since the date on which the alteration was substantially completed, and the dwelling has continuously remained vacant since that date.
- 5.2 For the purposes of paragraph (b) above 'major repair work' includes structural repair work.
- 5.3 For the purposes of Class D a dwelling is vacant on any day if on the day;
- (i) In the case of a dwelling consisting of a pitch occupied by a caravan or a mooring occupied by a boat, the caravan or boat is unoccupied;
 - (ii) In any other case, the dwelling is unoccupied and substantially unfurnished; and
 - (iii) In considering whether a dwelling has been vacant for any period, any one period, not exceeding six weeks, during which it was not vacant shall be disregarded
- 5.4 The Council has resolved that from 1st April 2022 a discount of 100% will be given in respect of Class D (for a period of 12 months).

6.0 Long Term Empty premises – Empty Homes Premium – Policy effective from 1st April 2022

- 6.1 Legislation allowing for the premium was introduced in 2012, this inserted Section 11b Local Government Finance Act 1992 - Higher amount for long-term empty dwellings.
- 6.2 The Council has resolved that from 1st April 2022, an Empty Homes Premium will be applied, in addition to the full (100%) charge, for all premises which has been unoccupied and substantially unfurnished (empty) for a period of two years or more as follows:
- A 100% premium will be charged on long term (more than 2 years) empty dwellings (in addition to the normal charge).

- A 200% premium will be charged on long term (more than 5 years) empty dwellings (in addition to the normal charge);
- A 300% premium will be charged on long term (more than 10 years) empty dwellings (in addition to the normal charge).

6.3 Liability for the Empty Homes Premium is determined by the length of time that the property has been empty. An individual who purchases a property, which has already been empty for two-years, may be required to pay the premium as soon as they take ownership. A period of occupation of over six weeks qualifies as a break in the empty period, 'resetting the clock' for the purposes of the Empty Homes Premium.

6.4 In accordance with the legislation, premiums will not be charged in the case of armed forces accommodation, armed forces job related accommodation or annexes as defined below.

Armed Forces Accommodation or Armed forces job related accommodation (Class E)

- 6.5 Chargeable dwellings in Class E are defined as a dwelling which:
- Is the sole or main residence of an individual where that individual is a qualifying person in relation to another dwelling provided by the Secretary of State for Defence for the purposes of armed forces accommodation, and which for that individual is job-related; or
 - Would be the sole or main residence of an individual if that individual were not a qualifying person in relation to another dwelling provided by the Secretary of State for Defence for the purposes of armed forces accommodation, and which for that individual is job-related

Annexes (Class F)

- 6.6 An annex is a chargeable dwelling:
- Which forms part of a single property which includes at least one other dwelling; and
 - Which is being used by a resident of that other dwelling, or as the case may be, one of those other dwellings, as part of their sole or main residence.

7.0 Publication of the changes

7.1 The Council, in accordance with the legislation, will publish any changes to the Council Tax regime within 21 days of making such a resolution.