

**SOUTH DERBYSHIRE DISTRICT COUNCIL  
COUNCIL TAX – DISCRETIONARY REDUCTIONS UNDER SECTION 13A LOCAL  
GOVERNMENT FINANCE ACT 1992.**

**GUIDANCE FOR DETERMINING APPLICATIONS**

**Empty Property Charges**

Where an application for reduction in Council Tax under S13A LGFA 1992 is received in respect of the level of empty property charge, including the Premium set against an individual property, it should be tested against the following:

- Local discount will be considered in those cases where either a charge is levied on long term empty properties (i.e. where the empty period is over 3 months) or where 90% is charged on Second Homes

So far as cases that are subject to a Council tax Premium (*i.e. longer term empty properties over 2 years*) are concerned an application will take into account these cases until such time as Government regulation specifies exemptions from this additional element, as initially proposed within the consultative documentation, but not subsequently enacted.

- The discount will be a maximum of 50% in the case of long-term empties over three months but under two years, where a 100% charge applies; and 40% for second homes where a 90% charge applies and this will be the maximum that can be applied in each class of property (*i.e. at least 50% of the liability is paid*).
- The discount will be a maximum of 100% in the case of long-term empties over two years where the Premium of 50% applies in addition to the 100% empty charge (*i.e. empty properties over two years will pay at least 100% of the liability, but not the 50% Premium*).
- The criteria for the award of the discount will centre on the reason(s) why the property remains empty or is treated as a second home, the degree of choice made by the individual concerned in arriving at that situation and the residual capital value of that property.

With these criteria in mind, there will be a **higher likelihood** of granting a reduction under S13A LGFA 1992 where the reasons put forward by the applicant show evidence of:

- A significant inability to enjoy, or otherwise benefit from, use of or access to the property, and/or related amenities, to which the Council Tax liability relates.
- A significant restriction on the ability to sell the property on the open market to a potential purchaser.
- A significant restriction on, or prohibition of, the ability to let the property on the open market to a potential tenant.

There will be a **lower likelihood** of granting a reduction where:

- The Council Tax liability is already, or can be, significantly reduced by other more specific discount or relief schemes.

- The claimant has already received, or is receiving some form of compensation (financial or otherwise) relevant to the reasons put forward where the level of compensation appears broadly commensurate with the hardship or detriment experienced.
- There remains sufficient equity in the property or availability of capital to allow the payment of Council Tax within a period of five years.

In determining an application evidence shall be required of:

- any financial detriment experienced;
- the reduction in, or loss of use or access to property and/or related amenities;
- the reduction in, or loss of enjoyment or benefit from the use of property and/or related amenities;
- lease, security or other details that restrict enjoyment or benefit from the use of property:
- lease, covenant or other details that restrict the sale or let of the property on the open market:
- Period over which the financial detriment or reduction or loss of access, use or enjoyment or benefit from use of the property and/or related amenities is experienced:
- Value of property, if appropriate, less any residual encumbrance such as mortgage, registered charges or loans and of any other capital assets.

**NOTE: Each case is to be treated on its individual merits. This Guidance is intended to promote, and allow, consistency in the determination of applications made under Section 13A of the Local Government Finance Act 1992, as amended.**