



**Portsmouth City Council
Council Tax**

**Policy for Second Homes, Long Term Empty
Properties and determining discounts for certain
dwellings.**

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Introduction

The Local Government Finance Act 2012 amends the Local Government Finance Act 1992 allowing local discretion over the implementation of certain discounts and charges applied within the Council Tax regime.

The following policy details the approach to be taken by Portsmouth City Council with effect from 1st April 2016.

Second Homes - Policy effective from 1st April 2014 to remain unchanged

The City Council under this policy will make a charge for second homes of 100% (a discount of 0%). This is the level charged from 1st April 2014.

In the following cases 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;
- Clergy who are required to live in accommodation provided by their employer to perform the duties of their office.

The legislation outlining the above is 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 regulations require the authority to determine the classes under which a discount will be granted. For the purposes of this policy the classes and discounts to be granted by the City Council from 1st April 2014 are as follows;

Class	Descriptions	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 the 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 the planning condition preventing occupancy for continuous period of at least 28 days in the relevant year	0%

Empty Homes - Policy effective from 1st April 2016

For Council Tax purposes, the revised legislation determines that the charge for empty dwellings will follow three phases namely;

First Phase: a period during which a dwelling will attract the discount of between 0% and 100% determined by the local authority (as a result of the measures outlined within the Local Government Finance Act 2012). If the dwelling remains empty and substantially unfurnished, this period will last up to 6¹ months as determined by the authority (12 months if the dwelling in addition to being unoccupied and substantially unfurnished is undergoing major repairs²);

Second Phase: a period during which the discount attracted will be between 0% and 50%. The rules for this phase are based on the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012. During this phase the authority can determine (in accordance with Class C of the regulations) the level of discount between 0% and 50%. The second phase will last indefinitely unless the local authority has made a determination implementing the empty homes premium.

Third Phase: an indefinite period starting when the dwelling has been empty for two years. In this phase, the liability will be up to 150% of the council tax, which would be payable if the dwelling were occupied, and the single person discount did not apply. The level of this additional premium can be between 0% and 50%³ depending on the decision of the local authority.

The City Council has resolved that the following will apply from 1st April 2016:

Where a dwelling is unoccupied and substantially unfurnished

If a dwelling becomes unoccupied and substantially unfurnished the City Council will apply a discount of 0%, requiring the full council tax charge to be payable.

Where a dwelling is unoccupied and substantially unfurnished, requiring or undergoing structural alterations or major repair works to make it habitable

- (a) If a dwelling is unoccupied and substantially unfurnished, requiring or undergoing structural alterations or major repair works to make it habitable, a discount of 40% will be granted for any period up to one year so long as it remains so;
- (b) If a dwelling in (a) above remains unoccupied and substantially unfurnished for a period of greater than one year, 0% discount will be given after the end of that year.

¹ This replaces Class C of the Council Tax (Exempt Dwellings) Order 1992

² This replaces Class A of the Council Tax (Exempt Dwellings) Order 1992

³ Section 11b of the Local Government Finance Act 1992, inserted by the Local Government Finance Act 2012

Where a dwelling remains unoccupied and substantially unfurnished for a period of two years or more

- (a) Where a dwelling remains unoccupied and substantially unfurnished for a period of two years or more, the City Council has resolved to charge an empty homes premium of 50% in addition to the full Council Tax charge, as allowed within Section 11b of the Local Government Finance Act 1992, inserted by the Local Government Finance Act 2012.

Publication of the changes

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