



monmouthshire  
sir fynwy

## Discretionary Policy Council Tax Premiums

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## Council Tax Premium Exceptions

Exceptions to the council tax premiums on long-term empty properties and second homes Sections 12A and 12B of the LGFA 1992, provide Welsh Ministers with powers to make regulations to prescribe 1 or more classes of dwellings in relation to which a billing authority may not make a determination to apply a premium.

The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 are made under these powers. A premium may not be charged on a dwelling that falls within an exception.

A local authority must have regard to these exceptions before deciding to implement a premium. The regulations prescribe 7 classes of exempt dwellings as detailed below:

Description	Applicable to Second Homes	Applicable to Long Term Empties
Class 1 Dwellings being marketed for sale or where an offer to buy the dwelling has been accepted, time-limited for 1 year	Yes	Yes
Class 2 Dwellings being marketed for let or where an offer to rent has been accepted, time-limited for 1 year	Yes	Yes
Class 3 Annexes forming part of, or being treated as part of, the main dwelling	Yes	Yes
Class 4 Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation	Yes	Yes
Class 5 Occupied caravan pitches and boat moorings	Yes	
Class 6 Dwellings whereby virtue of a planning condition, year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation only or prevents occupancy as a person's sole or main residence	Yes	
Class 7 Job-related dwellings	Yes	

### 1. Exercising power under Section 12A & 12B (LGFA 1992) to reduce a premium liability.

In exercising the power under section 12A and 12B of the LGFA 1992. A billing authority may determine the types or classes of properties, within the categories of long-term empty properties or second homes, to which it will or will not apply a premium.

The following discretionary exceptions have been agreed.

### 1.1 Local Exception Second Home – Limited to 12 months

Where since premiums were introduced, a self-catering property has moved from the commercial list as:

- It did not satisfy the 252-day available to let and 182-day occupancy requirement.  
And
- Was entered into the domestic list following the introduction of premium charges.

The premium will not be charged for the first 12 months. This exception is effective from 1<sup>st</sup> April 2024.

### 1.2 Local Exception Long Term Empty Property – Limited to 6 months

Where a property that has been subject to a premium charge is sold, the new owner will not be required to pay a premium for the first 6 months following the sale if the property remains empty.

The following must be satisfied to allow for this Local Exception:

- There must be a change in ownership on land registry.
- There must be a sale at transactional value registered on land registry.

This Local Exception will terminate if the property is occupied during this time, or the 6 months has expired.

The premium will not be charged for the first 6 months. This exception is effective from 1<sup>st</sup> April 2025.

### 1.3 Local Exception Long Term Empty 12 months

Where a property that has been subject to a premium charge is sold, the new owner will not be required to pay a premium for the first 12 months following the purchase if

the property remains empty and is undergoing major structural building works to bring the property back into use.

The following must be satisfied to allow for this Local Exception:

- There must be a change in ownership on land registry.
- There must be a sale at transactional value registered on land registry.
- There must be major structural building works that is supported by evidence.

This Local Exception will terminate if the property is occupied during this time, or the 12 months has expired. This exception is effective from 1<sup>st</sup> April 2025.

## 2 Exercising discretion under Section 13a LGFA 1992

Section 13A of the LGFA 1992, allows billing authorities have discretionary powers to reduce council tax liability to such extent as the billing authority thinks fit.

The power can be exercised in individual cases, or by determining a class of cases. The power may be used to reduce council tax liability by any amount, including in circumstances where a local authority may otherwise charge a premium.

Local authorities may use these powers for example to reduce or disapply a premium, and potentially to target the use of premiums.

Some of the examples given by Welsh Government where a local authority might consider exercising discretion are detailed in the [Council Tax on empty and second homes | GOV.WALES](#).

Where an appeal is received it will be considered on its individual merits, taking all factors and circumstances into account.

### 2.1 Time limited discretion

The premium may be reduced for up to 12 months, taking into account the following when making a decision to exercise discretion:

- How long the property has been empty.
- The reason the property has not been brought back into use.
- Is works being undertaken to bring the property back into use.
- Are there any exceptional circumstances affecting the development of the property (insurance/planning/listed buildings etc).
- What works are outstanding.
- The schedule of works.
- Timeframe for completing the works.
- Consider if it would be appropriate to consider financial hardship taking into account the need for properties to be brought back into use

This is a short-term discretion to allow for the property to be brought back into use

## 2.2 No time limit on discretionary

The premium charge may be removed in full if the property is not suitable as a sole or main residence given the following:

- That it is ancillary to the main property.
- Proximity to the main property (curtilage).
- Location of the property
- Converted out building which are registered under the same deeds.
- Type of utility connections to the property.
- A working farm

The above is not an exhaustive list. There may be other factors that are considered when making the decision to exercise discretion.

If discretion is exercised the conditions surrounding the award will be detailed in the award letter. This would confirm if the conditions attached to the award are not complied with then the discretion will be withdrawn, and the full premium will be payable.

## 3 Appeal Panel

Where an appeal is received this will be taken forward to the appeals panel for consideration.

The panel will consist of the following officers:

- The Section 151 Officer and/or Head of Finance
- The Assistant Head of Finance
- The Cabinet Member for Resources
- The Head of the Shared Revenues & Benefits Service and/or the Revenues Shared Service Manager

Appeals will be determined within 2 months of receipt of the appeal and all necessary supporting documentation/evidence.

## 4 Further Right of Appeal to the Valuation Tribunal

There is a further right of appeal direct to the Valuation Tribunal, where discretion has been refused, following an appeal hearing with the authority. When notifying

customers of the outcome of the appeal hearing, information is provided on the further Right of Appeal.