

Council Tax

Review of Long Term Empty (LTE) and Second Home (SH) Council Tax Premium Appendix 2: Section 13a Policy Review

Section 13a Discretionary Relief Policy Review

Background:

Legislation allows Local Authorities to award discretionary relief, under S13a, to reduce the amount of the **standard Council tax charge** paid where all other exemptions and discounts have already been used.

Exemptions and discounts would always be awarded to an account first, where there is entitlement, before a S13a award is made. These could be exemptions for a range of circumstances, such as;

- Occupied properties for - Severe Mental Impairment, students etc.
- Vacant properties –
 - Unfurnished and unoccupied (time limited to 6 months' award in legislation)
 - Under major renovation (time limited to 12-month award in legislation)
 - Moving to live in a Care Home etc
- Premium Exceptions – where the premium charge would be removed for properties that are:
 - Being marketed for sale or let (time limited to 12 months)
 - Properties where a planning condition restricts use to an annexe
 - Armed forces accommodation
 - Occupied caravan pitches and boat moorings
 - Properties where a planning condition restricts occupancy to seasonal or holiday let
 - Job-related dwellings

When a Section 13A discretionary relief is awarded on the standard council tax charge, this results in a reduction in the standard council tax revenue and is therefore borne by Denbighshire council taxpayers.

We currently operate in accordance with a guidance document when considering discretionary relief applications in the standard council tax charge for financial hardship, crisis, or other exceptional circumstances.

Appendix 2: Council Tax S13a Policy Review

If an award is made due to hardship or exceptional circumstances linked to the premium, the premium is removed, but the standard Council Tax remains payable.

This approach is effective and no change to the policy for assessing reductions in the standard Council tax charge process is being put forward.

Analysis of the latest data indicates that the overall number of LTE properties in Denbighshire has decreased since 2024. However, the number of properties that have been empty for over five years has remained static. As a result, while the total LTE figures have fallen, the proportion of properties empty for over five years in Denbighshire has increased—from 25% of all LTE properties in 2024 to 30% as of April 2025.

To address this, alongside the proposed recommended to increase the LTE additional premium by 25% year on year from April 2026, it is also recommended that additional support is introduced for new owners of such properties via the S13a policy. This measure is designed to support new owners, while reinforcing the policy's aim of bringing these properties back into use.

We propose extending the Section 13a relief by introducing **two new categories for a temporary reduction in the Council Tax premium charge** for new owners of certain LTE properties.

If relief is awarded under the two newly proposed categories, this would not reduce the standard council tax charge but rather remove the application of the premium charge.

In this case, the revenue generated from the premium charge would be lower, but it would be used to support new owners of long-term empty properties, meaning the cost would **not** be directly borne by the general council taxpayer.

There are currently 172 LTE properties empty over 5 years.

Appendix 2: Council Tax S13a Policy Review

Recommendation:

The data highlights the need to focus attention on properties that have been empty over five years, as they represent the most persistent and difficult category of LTE properties. These homes are the most challenging to return to occupation, and targeted support could help overcome the barriers to bringing them back into use.

We propose introducing two categories of council tax premium relief to encourage the purchase and renovation of LTE properties:

1. **Three-month relief** for new owners of properties that have been empty for over five years. These homes are often in poor condition and have typically already benefited from the 6-month Class C, and 12-month Class A exemptions. As a result, new owners are immediately charged a premium upon purchase, which may deter potential buyers and contribute to ongoing vacancy. Providing this short-term relief would support renovation efforts and promote reoccupation.
2. **Six-month relief** for new owners of LTE properties empty over 5 years, and also extend this relief to new owners of the standard LTE properties. The standard LTE properties are generally in better condition but may still require renovation. Offering this relief ensures fairness, particularly where previous exemptions have already been used, and helps incentivise buyers to bring these homes back into use.

Table 1: Proposed additional S13a relief categories

Additional Category	Relief Period	Eligibility Criteria	Purpose
1) General Renovation	3 month removal of premium charge.	New owners of a LTE property, empty over 5 years only. To renovate for use as a main residence.	Allows time for general renovation .

Appendix 2: Council Tax S13a Policy Review

2) Major Renovation	6 month removal of premium charge.	New owners of any LTE property (empty over 12 months) undergoing an active scheme of major renovation. To renovate for use as a main residence.	Allows time for more extensive major renovation to bring the property back in to use.
---------------------	------------------------------------	---	--

Examples:

- **General renovation** – painting, plastering, new kitchen / bathroom / windows / doors.
- **Major renovation** - structural alterations (e.g., major underpinning, total replacement of floors or ceilings, removal of structural walls), major renovation to make habitable.

The Revenues team routinely assess applications to distinguish between major and general renovations according to legislation.

Rationale:

Analysis of the 173 LTE properties, empty over 5 years, in **April 2024** shows:

- 134 still remain empty and work is ongoing with engaging with customers, and working with Housing and Empty Homes teams to bring these properties back in to use.
- 25 have now been occupied by the current owners – 5 as Second Homes
- 9 were sold and are now occupied
- 6 were sold and are still empty but under renovation to bring back in to use

Appendix 2: Council Tax S13a Policy Review

Providing additional support for new owners of LTE properties would align with the intent of the premium policy, and may act as an incentive for prospective buyers to purchase and renovate these properties for affordable homes. This, in turn, could help bring such properties back into use for families and contribute positively to the general housing supply.

The Section 13A discretionary award is intended to provide support to new owners of long-term empty (LTE) properties, where all other Council Tax discounts and exemptions have already been exhausted.

The proposed S13a Policy document is detailed below.

Table 2: Proposed Draft S13a Policy Document

Section 13A (1)(c)

COUNCIL TAX DISCRETIONARY RELIEF POLICY

1. Legislation

Section 13A, subsections (1) (c); (6) and (7), of the Local Government Finance Act (LGFA) 1992 (as inserted by Section 76 of the Local Government Act 2003)

2. Introduction

This policy sets out the criteria for discretionary relief to assist council tax payers of certain groups, or individuals who may be experiencing financial hardship or distress, where there is clear evidence that those individuals have exceptional circumstances, and all statutory exemptions and discounts have been exhausted.

This policy will be administered by the Revenues Team and will be made available to any council tax payer under the circumstances specified in this policy.

The purpose of this discretionary relief policy is to provide temporary assistance to council tax payers to help reduce their council tax liability (although in certain classes/cases of taxpayer the relief can be of a longer-term nature).

3. How a Section 13A Award is Funded

Payments for Section 13A reductions have to be met 100% by the Council. The Council must therefore balance the need of the individual requesting financial support, against the interests of Denbighshire's Council Tax payers.

As a consequence of this, the Council will only consider using its powers to reduce council tax liability for any council tax payer or class of payer in exceptional circumstances. Each

case will be determined on its own merits based on the application form and supporting information.

4. Background

Section 13A(1)(c) of the Local Government Finance Act allows a billing authority to reduce the Council Tax payable after taking into account any discounts, disregards, reliefs, and exemptions.

The Council already provides a Council Tax Reduction Scheme in accordance with Section 13A (1) (b) of the LGFA 1992. Further information on the Council's Council Tax Reduction Scheme can found here: - [Denbighshire County Council: Council Tax Reduction Scheme](#)

Denbighshire County Council will consider applications for a Discretionary Reduction, with reference to the following:

- the scheme is discretionary;
- an applicant does not have a statutory right to a reduction or payment;
- the operation of the scheme is for the Council to determine;
- if the applicant is dissatisfied with any decision taken on a claim, they can ask for further details on the decision and make an appeal. (see Appeals)

A summary of Section 13A (1) (c) is set out below:

- Where a person is liable to pay council tax in respect of any chargeable dwelling, the billing authority for the area in which the dwelling is situated may reduce the amount which he or she is liable to pay to such extent as it thinks fit.
- The power under subsection (1) includes the power to reduce an amount to nil.
- The power under subsection (1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination

5. Discretionary Reduction Categories

Denbighshire will consider a discretionary reduction within the following categories:

- a) New Owners of Long Term Empty Properties (empty over 5 years only)
Undergoing General Renovation. Maximum award period 3 months. (**Premium charge reduction only**)
- b) New Owners of Long Term Empty Properties (empty over 12 months)
Undergoing Major Renovation. Maximum award period 6 months. (**Premium charge reduction only**)
- c) Crisis Situations (e.g. Flood or Fire)
- d) Exceptional financial hardship
- e) Any other exceptional circumstances

a) New Owners of Long Term Empty Properties (empty over 5 years only)

A long - term empty dwelling is a property that has been unoccupied and substantially unfurnished for a period of at least 12 months.

Criteria - New owner of a long-term empty property that has been empty over 5 years only, where a premium charge is payable, that is undergoing general renovation, and will be used as a primary residential dwelling upon occupation and must not be used as a second home or holiday let.

Award Period - The Council will not charge the Council Tax premium for **3 months from the date of purchase** for applicants who meet the criteria.

b) New Owners of Long Term Empty Properties (empty over 12 months) Undergoing Major Renovation

A long - term empty dwelling is a property that has been unoccupied and substantially unfurnished for a period of at least 12 months.

Appendix 2: Council Tax S13a Policy Review

Major renovation is considered to be work that is classed as significant redevelopment or reconstruction work affecting most of a property.

Award Period - The Council will not charge the Council Tax premium for **6 months from the date of purchase** for applicants who meet the criteria.

Criteria:

- The property must be intended for use as a primary residential dwelling upon occupation and must not be used as a second home or holiday let.
- The property must be undergoing an active scheme of major renovation to render the property habitable, and evidence of this is provided with an application.

Examples of major renovation include:

- structural alterations
- stripping out of walls, floors, ceilings, fixtures and fittings
- a repair scheme following fire or flood damage, affecting most of the property
- Works will be substantial, and of a much greater scale than normal repairs.

Normal level of repair includes that do not qualify:

- internal/external redecoration
- minor plaster/ceiling repairs
- renewal of kitchen and bathroom fittings
- replacement of electric wiring, central heating system
- repair of localised wet rot
- minor roof repairs
- replacement windows
- the treatment of damp patches

Appendix 2: Council Tax S13a Policy Review

The evidence that will help us make a decision includes:

- a description of the planned scheme of works with a copy of any surveys or planning permissions
- the date when works started together and evidence, such as a contractor invoice and/or receipts for delivered materials or skips for rubbish removal
- labelled and dated photographs of both inside and outside the property, showing its condition and where works have started

c) Crisis Situation (e.g. Flood or Fire)

The Council will consider requests for assistance from council tax payers who have experienced an unforeseen crisis, such as a fire or flood, that has rendered their home uninhabitable. Support may be provided where the taxpayer remains liable for council tax and has no access to compensation, statutory exemptions, or insurance coverage for the event.

Requests must be submitted in writing, outlining the specific circumstances, and an estimated timeframe for resolution. Each application will be assessed on a case-by-case basis, with input from relevant services where appropriate.

Any reduction in council tax liability will be granted only where no other financial relief is available. See below details for **Period of Award**.

d) Exceptional Personal and/or Business Financial Hardship

In the first instance the Council would expect a taxpayer to ascertain if any discounts, exemptions or eligibility for a Council Tax Reduction under the Council Tax Reduction Scheme will apply before an application is considered.

As part of the application process all applicants must provide all of the following information: -

- A completed application form for Council Tax Discretionary Relief

Appendix 2: Council Tax S13a Policy Review

- Details of other occupiers must also be advised in the application.
- Applicants must provide full details of income and expenditure with appropriate evidence to support the information contained in their application.
- The taxpayer must confirm that they have no access to assets that could be realised and used to pay the council tax liability.

The following factors will be considered when assessing an application:

- The Council and applicant will explore other alternatives for payment, such as deferred payment arrangements and reductions in non-essential expenditure to meet the outstanding liability.
- Current financial circumstances.
- The circumstances of the applicant at the time the council tax liability arose.
- Determine what action(s) the applicant has taken to alleviate the situation;
- Consider alternative means of support that may be available to the applicant, such as applying for Council Tax Reduction, Discretionary Housing Payment to meet rent costs and maximising other state benefits where applicable

c) Any Other Exceptional Circumstances

The Council will consider requests from council tax payers, or specific groups of individuals, for a reduction in their liability based on other exceptional circumstances not specifically mentioned within this policy but which align with the principles of the policy, as set out. However, the Council must be of the opinion that the circumstances relating to the application warrant further reduction in their liability for council tax having regard to the effect on other council tax payers. See below details for **Period of Award**.

6. Eligibility

Denbighshire can award a Discretionary Reduction to council taxpayers where existing legislation does not provide a full discount, exemption or reduction, or the level of discount or reduction is insufficient due to exceptional circumstances.

7. Premium Charges

Decisions around the Premium charge when assessing a S13a application are likely to be different when they are considered to reduce council tax liability resulting from a premium, compared to reducing liability from the standard rate of council tax. This is because dwellings liable to a premium are already liable for the standard rate of council tax.

Particular consideration will be given to the benefit of the community, the intentions relating to the property, whether the property is a business or for personal use, first time buyers and whether the property is being brought back into use timely.

8. Application

All applications for Section 13 (a) Discretionary Reduction must be made using the Denbighshire application form, this should be returned with the required evidence.

Applications should be send by email to Revenues@denbighshire.gov.uk

Where required please complete an online [Income & Expenditure form](#)

Discretionary reduction claims will be approved by the Principal Revenues and Benefits Officer.

9. Changes in circumstances

The Council may revise any discretionary reduction in liability granted under this policy where the applicant's circumstances have changed.

The taxpayer agrees that he/she must inform the Council immediately either by telephone, email or in writing about any changes in their circumstances which might affect the claim under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council. All changes in circumstances should be notified within 21 days.

10. Duties of the applicant and the applicant's household

Appendix 2: Council Tax S13a Policy Review

A person claiming any discretionary reduction in liability must:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and
- Provide the Council with such other information as it may require in connection with their claim
- Continue to make payments as per statutory obligation until a final decision has been made with regards to assistance under the discretionary policy.

11. Period of Award

The Discretionary Reduction will provide **short term support** to allow people the time to resolve their current financial difficulties. The length of time over which an award is made is at the discretion of Denbighshire.

The end date will be notified within the decision notice.

The award will normally commence from the date of the application and will only be backdated where the council tax payer can show good cause as to why they did not apply at the relevant time. Any award that is made will be on a “one off” basis and will either be for part of the charge or the full charge. There will be no continuation of the award beyond the end of the financial year, unless a further application is received and approved.

Any awards that are made will be directly credited to the council tax account of the individual or individuals concerned, thereby reducing the amount of council tax payable.

12. Notification

Once all the required proofs are received, Denbighshire will make a decision within 28 days or as soon as possible thereafter.

The council will then write to the applicant to notify that the award is successful, or to explain why they do not qualify.

Applicants are obliged to continue to make payments according to their most recent bill whilst waiting for a final decision with regards to discretionary assistance, as failing to do so may commence recovery proceedings.

13. Appeals

Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept an applicant's appeal against the decision made by Denbighshire to reject or restrict the award of a Discretionary Reduction, which must be made in writing within 28 days following the date of notification.

A reply will be issued within 2 months notifying the applicant concerned of the decision.

If the applicant is still unhappy with the outcome, they may appeal to the Valuation Tribunal for Wales, who are independent from the Council, within 2 months of the final decision notice.