

Council Tax Discounts and Exemptions Reform

Report to Council (13 December 2012)

Determinations

The determinations and decisions set out below are made by Brighton & Hove City Council (“the Council”) on 13 December 2012. They come into effect on 1 April 2013 for the financial year 1 April 2013 to 31 March 2014 and will remain in force for subsequent years unless revoked. They are made by the Council under its powers in sections 11, 11A, 11B and 13A(1)(c) of the Local Government Finance Act 1992 (“the 1992 Act”) and all other enabling powers. References to the 1992 Act include references to Regulations and Orders made under that Act and references to sections are to sections in the 1992 Act. The notes are explanatory and are not part of the determinations and decisions. For information, Classes A to F are set out in full at the end of this Appendix.

1. Discount for dwellings in Classes A and B

The Council determines that, if on any day a dwelling in the Council’s area is within Class A or B prescribed under section 11A(4), the discount under section 11(2)(a) shall not apply.

[Note: - The effect is to remove the current discount of 10 percent for second homes, so that council tax increases from 90 percent to 100 percent.]

2. Discount for dwellings in Class C

The Council makes the following determinations in relation to the descriptions of dwellings set out at (1) and (2) below:-

(1) All dwellings within Class C except those described at (2) below:- if on any day such a dwelling is within Class C prescribed under section 11A(4A):-

- (a) the discount under section 11(2)(a) shall not apply and
- (b) for a period of up to 6 weeks from the date on which the dwelling first became unoccupied and substantially unfurnished the amount of discount in respect of that dwelling shall be 100 percent.

The following concessions shall also apply in respect of any such dwelling:-

- (a) If during any such 6 week period there is a change in the identity of the person (or all persons if more than one) who would be liable to pay council tax in respect of the dwelling if the 100 percent discount did not apply, the period of 6 weeks will begin again on the date of the change.

- (b) At the discretion of the Council in circumstances which it deems to be exceptional, the period of 6 weeks may be extended, but not beyond a maximum of 3 months from the date of commencement of the initial 6 week period. This concession is principally intended to be used in cases where dwellings require much more substantial repairs than usual between lettings, for example through flood or fire damage, but the circumstances fall short of entitlement to the new Class D discount, below.

(2) All dwellings newly built or newly provided by conversion of an existing building and for which a completion notice under section 17 has been served:- if on any day such a dwelling is within Class C prescribed under section 11A(4A):-

- (a) the discount under section 11(2)(a) shall not apply and
(b) for a period of up to 6 months from the first date that the dwelling becomes subject to council tax the amount of discount in respect of that dwelling shall be 100 percent, provided that if a Class D discount has already been awarded in respect of the work being done, the total period of Class D and Class C discount combined shall not exceed 12 months.

[Note:- The effect of this is that for dwellings in (1) above, which are unoccupied and substantially unfurnished, there is a reduction in the period for which council tax is at nil percent from 6 months to 6 weeks, but subject to the concessions. For new builds or conversions, (2) above retains part of the current procedure for Class A exemptions which is not replicated in the new Class D discount, but which the Council did not intend to change.]

3. Discount for dwellings in Class D

The Council determines that if on any day a dwelling within the Council's area is within Class D prescribed under section 11A(4A), the discount under section 11(2)(a) shall not apply and the amount of discount in respect of that dwelling shall be 100 percent.

[Note:- The effect of this is that for vacant dwellings requiring or undergoing major repairs etc, council tax remains at nil percent for 12 months or 6 months after completion of the works if earlier.]

4. Higher amount for long-term empty dwellings

The Council determines that if on any day a dwelling in the Council's area is a long-term empty dwelling as defined in section 11B of the 1992 Act
(a) the discount under section 11(2)(a) of 1992 Act shall not apply and

(b) the amount of council tax payable in respect of that dwelling and that day shall be increased by 50 percent.

This determination shall not apply to any dwelling prescribed by the Secretary of State as being in a class in relation to which the Council may not make a determination under section 11B of the 1992 Act.

[Note:- The effect of this is to increase council tax from 100 percent to 150 percent for dwellings which have been unoccupied and substantially unfurnished for at least 2 years. The Secretary of State has already prescribed two classes of dwelling which are exempt from the above determination: Class E (dwellings of service personnel posted away from home) and Class F (dwellings which form annexes in a property which are being used as part of the main residence).]

Classes A to F (for information)

Regulation 4. Class A

The class of dwellings described in this regulation ("Class A") comprises every chargeable dwelling in England—

- (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; except that the class of dwellings described in this regulation shall not include any dwelling which is excluded from that class by virtue of regulation 6 below.

Regulation 5. Class B

The class of dwellings described in this regulation ("Class B") comprises every chargeable dwelling in England—

- (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; except that the class of dwellings described in this regulation shall not include any dwelling which is excluded from that class by virtue of regulation 6 below.

Regulation 6.— Exceptions (in relation to Classes A & B)

(1) Class A and Class B shall not include any dwelling which consists of a pitch occupied by a caravan, or a mooring occupied by a boat.

(2) Class A and Class B shall not include any dwelling—

(a) where a qualifying person in relation to that dwelling is a qualifying person in relation to another dwelling in England, Wales or Scotland which for him is job-related; or

(b) which for a qualifying person is job-related where that person is a qualifying person in relation to another dwelling in England, Wales or Scotland.

(3) For the purposes of sub-paragraph (a) of paragraph (2), a dwelling is job-related if it falls within the description set out in paragraph 1, 2 or 2A of the Schedule to these Regulations [*not copied in this Appendix*] and for the purposes of sub-

paragraph (b) of paragraph (2), a dwelling is job-related if it falls within the description set out in paragraph 1 or 2 of that Schedule [*not copied in this appendix*].

Regulation 7. Class C

The class of dwellings described in this regulation (“Class C”) comprises every chargeable dwelling in England—

- (a) which is unoccupied; and
- (b) which is substantially unfurnished

Regulation 8.— Class D

The class of dwellings described in this regulation (“Class D”) comprises every chargeable dwelling in England—

- (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;
- (c) for the purposes of paragraph (b) above “major repair work” includes structural repair work.

Regulation 9.— Class E

(1) The class of dwellings described in this regulation (“Class E”) comprises every chargeable dwelling in England which—

- (a) 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
- (b) 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.

(2) For the purposes of paragraph (1) a dwelling is job-related if it falls within the description set out in paragraph 1 of the Schedule to these Regulations [*not copied in this appendix*].

Regulation 10.— Class F

(1) The class of dwellings described in this regulation (“Class F”) comprises every chargeable dwelling in England—

- (a) which forms part of a single property which includes at least one other dwelling; and
- (b) 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.

(2) For the purposes of paragraph (1) “single property” means property which would apart from the Council Tax (Chargeable Dwellings) Order 1992 be one dwelling within the meaning of section 3 of the Act.