

Introduction to Council Tax Seminar

Discounts, Disregards and Exemptions

Michael B Fisher FIRRv MICM
Revenues & Welfare Manager
Test Valley Borough Council
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Discounts - SPD

- Council Tax charged on basis of half property tax, half personal tax.
- If there is only one adult resident at a property they can apply for a 25% Single Person discount.

Disregards

The following people are disregarded for the purposes of Council Tax;

- Persons in detention
- Severely Mentally Impaired
- Persons in respect of whom Child Benefit is payable
- Apprentices
- Students
- Student Nurses

Disregards, cont'd

- Youth Training Trainees
- Hospital Patients
- Patients in Care Homes
- Care Workers
- Residents of Certain Hostels and Night Shelters
- Members of International and Defence Organisations
- Religious Communities
- School Leavers

Disregards, cont'd

- Visiting Forces
- Spouses of Certain Students
- Persons subject to diplomatic privileges and immunities

Disability Reduction

This reduction has two elements;

1. Property relief – When the Valuation Band is allocated to a property no account will be taken of any value of fixtures designed to make the property suitable for use by a disabled person (if these fixtures add value).
2. Personal Relief – Where a property is the sole/main residence of a qualifying disabled individual, criteria;



Personal Relief

- A room, not a bathroom, kitchen or toilet which is predominantly used by, and is required for meeting the needs of, any qualifying individual in the property; or
- A bathroom or kitchen which is not the only bathroom or kitchen in the dwelling, and which is predominantly used by, and is required for meeting the needs of any qualifying resident; or
- Sufficient floor space for the use of a wheelchair required for meeting the needs of any qualifying individual resident in the dwelling

Personal Relief, cont'd

- If awarded this reduction results in the charging of Council Tax at one valuation band lower than that which is shown for the dwelling in the valuation list
- In 2001 provision was introduced to allow this reduction for properties in band A, the relief for these properties is calculated as one 9th of the band D council tax for the Authority

All Disability Reduction cases should be reviewed on an annual basis



Exemptions – Unoccupied Properties

- Class B – Owned by a body established for charitable purposes only
- Class D – Left empty by individual detained in prison
- Class E – Left empty by individual who is permanently in care home/hospital
- Class F – Empty owner deceased
- Class G – Occupation prohibited by law
- Class H – Held for occupation by a minister of religion



Exemptions – Unoccupied Properties

- Class I – Individual left property to receive care
- Class J – Individual left property to provide care
- Class K – Left empty by a student
- Class L – Mortgagee in possession
- Class O – held for the purposes of armed forces accommodation
- Class Q – Liable person is qualifying person in his capacity as a trustee in bankruptcy
- Class R - Unoccupied caravan pitch/mooring
- Class T – Unoccupied annexe to a main dwelling



Exemptions – Occupied Properties

- Class M – Halls of Residence (Look At Case Law)
- Class N – All student occupiers
- Class P – Members (and dependents) of visiting Forces
- Class S – All occupants aged under 18
- Class U – All occupants Severely Mentally Impaired
- Class V – Occupiers has diplomatic privileges and immunity
- Class W – occupied annexe (specific criteria apply)



Annexes

- A discount of 50 per cent applies to annexes which are:
- occupied by relatives - under the age of 65 - of the person liable to pay the Council Tax of the main property; or
- unoccupied as the person living in the main property is using the annexe as part of their main home

Annexes

An exemption applies to annexes which are:

- occupied by relatives - all over the age of 65 - of the person liable to pay the Council Tax of the main property (class W)
- occupied by relatives - aged between 18 and 65 - who are severely and permanently disabled (Class W)
- unoccupied and the planning permission for the annexe has a restriction in that it can only be used as ancillary accommodation of the main property (Class T)



Empty Properties

Pre 2013;

- Unoccupied undergoing major/structural repairs – 100% discount up to 12 months
- Unoccupied unfurnished – 100% discount up to 6 months
- Unoccupied furnished – 50% discount, varied to allow a 90% charge to be applied

Empty Properties

Post 2013:

- From 01/04/2013 no prescribed discount, Authorities able to decide on their own, can be different in neighboring councils and many have changed since that date
- Second Homes typically 100%

Long Empty Premiums

- In April 2013 Authorities given permission to charge premium on properties empty and unfurnished over 2 years. An additional 50% (150% of the Council Tax for that band of property)
- From April 2019 Councils can charge up to 200% for empty and unfurnished properties for between 2 and 5 years
- From April 2020 Councils can charge up to 300% for empty and unfurnished properties for between 5 and 10 years
- From April 2021 Councils can charge up to 400% for empty and unfurnished properties for > 10 years



Exceptions to Long Empty Premiums

- Statutory
 - Job related Accommodation
 - Service Personnel posted overseas
- Discretionary
 - Marketing for Sale or Rent
 - Legal barriers preventing Sale or Rent
 - Hardship
 - Working with the council to bring back into use
- Best Practice Guidance Expected

Council Tax Support

- April 2013 also saw the removal of the Council Tax Benefit Scheme
- This has been replaced by a discount
- Authorities were allowed to write their own schemes and there was no requirement to award 100% reduction
- Authorities have made very different choices regarding this and these schemes are still changing and developing
- This is an ever changing area with a large number of LA's now looking to move away from a detailed means test to more of a Council Tax Discount.



Council Tax Support Options

- Prescribed Scheme 34 LA's still offer up to 100% discount
- Fast moving area of Revs & Bens
- Considerations Cost of Scheme & Cost of Administration
- Means test with reduced entitlement
- Banded schemes
- Benefit Periods
- Impact of Universal Credit and Numerous changes to income



Discretionary Relief

- The removal of a prescribed benefit scheme and empty exemptions has left some residents in hardship
- Authorities have allocated funds to allow people to apply for discretionary assistance, either for empty properties or those where there is a shortfall in Council Tax Support
- Decisions regarding this relief can be appealed at the Valuation Tribunal



Local Discounts

- Normally only the preserve of Unitary and Metropolitan Councils due to costs
- Special Constables Southampton 100%, Met Police £150, Rochdale 50%, Kent 10% paid by PCC
- Pensioner Discounts Southampton
- Early payment/Direct Debit Discount (couldn't find any) Havering 1.5% early payment
- Flood Relief



Local Discounts

- Fostering Discount - Halton BC, Flintshire
- Care Leaver Discounts - Numerous

Any questions?

