

Council Tax Information Letter 3/2006

The topics covered in this letter are:-

- Updating secondary legislation.
- Empty dwelling management orders.
- Delivering simple, speedy, summary justice
- Draft tribunals, courts and enforcement bill.

Updating secondary legislation

We have today published a consultation paper which seeks views on a number of proposed minor changes to council tax and non-domestic rates secondary legislation (and in one case primary legislation). Broadly the changes fall into the following categories:

- updating financial limits and updating definitions;
- changing the effective date of the increased council tax liability where the valuation list has been amended; and
- minor changes to the information that must be provided by local authorities with council tax and non-domestic rates demand notices.

The consultation paper can be found at the following link:

<http://www.communities.gov.uk/index.asp?id=1017165>

Please send paper representations to Mary Richardson at the address at the bottom of this letter or e-mail representations to counciltax.consultations@communities.gsi.gov.uk

The consultation closes on 31 October 2006. We look forward to hearing your views.

Empty dwelling management orders

We have been asked how the making of an Empty Dwelling Management Order (EDMO) affects council tax liability. EDMOs are a new enforcement tool for Local Housing Authority (LHAs) to use in order to secure the occupation of dwellings that have been left empty for long periods and where a LHA has been unable to persuade the owner to bring the dwelling back into use on a voluntary basis. Once a dwelling has been left unoccupied for 6 months or more then, subject to various exceptions, a LHA may seek authorisation from a residential property tribunal to make an interim EDMO which will usually last for 12 months. This may then be followed up by a final EDMO which will last for a fixed period up to 7 years.

It is our view that the making of an EDMO will not affect council tax liability on the owner of the dwelling. This is because "ownership" will not transfer for council tax purposes and the making of an EDMO will not of itself give rise to any exemption (but exemptions will generally continue to apply in the usual way).

In practice, the making of an EDMO may mean the owner is ultimately less likely to be liable for council tax since it will improve the chances of the dwelling being let. A LHA will only receive

No change in liability for the owner under an EDMO.

approval to make an interim EDMO because the dwelling has remained unoccupied and is likely to remain so if left under the control of the owner. Had the order not been made and the dwelling remained unoccupied the owner would continue to be liable to pay council tax. Once an EDMO is made, the LHA is under a duty to take steps to secure occupation of the dwelling. Where the dwelling subsequently becomes occupied as a result of an EDMO, the usual rules as to council tax liability will apply and in most cases liability to pay council tax will transfer to the occupants.

Delivering simple, speedy, summary justice

This wide-ranging review of how the criminal justice system can be improved to make court processes more proportionate to the offence committed was published on 21 July and can be found at http://www.dca.gov.uk/publications/reports_reviews/delivery-simple-speedy.pdf. Chapter 7 looks at low-level offences in magistrates' courts but you may wish to note that there is no mention of council tax or business rates. Government recognises that current processes often work efficiently and that the focus should be on spreading best practice rather than moving to central bulk processing for summonses and liability orders.

Draft tribunals, courts and enforcement bill

This draft bill was published by the Department for Constitutional Affairs on 25 July. Part 3, which unifies the law governing the activities of enforcement agents when taking control of and selling goods and will replace the current provisions for council tax cases, is likely to be of most interest. Much of the detail will be set out in secondary legislation to be drafted once the bill is introduced into Parliament.

Part 4 applies mostly to enforcement in the High or county courts rather than magistrates' courts, but the provisions in Part 5 for the introduction of Debt Relief Orders, to protect debtors with limited means from their creditors, may be worth reviewing.

Comments on the draft Bill should be sent by 22 September to the Tribunal reform team, 1st floor, 4 Abbey Orchard Street, London, SW1P 2HT. The draft bill and explanatory notes can be found on the Department for Constitutional Affairs website at <http://www.dca.gov.uk/legist.htm>

Mary Richardson
Council Tax Policy
LGF CTBR -B
Zone 5/D1
Eland House
Bressenden Place
LONDON SW1E 5DU

Web site:
www.communities.gov.uk

8 August 2006