



Council Tax Information Letter 4/2005

The topics covered in this letter are:

- Council Tax and Non-Domestic Rates Collection rates 2004/05
- Deductions from State Pension Credits
- Class G Exemption
- Civil Partnership Act 2003
- Staff Changes

Council Tax and Non-Domestic Rates Collection Rates 2004/05

Information about the council tax and non-domestic rates collection rates for 2004/05 from returns provided by 351 of the 354 English billing authorities was published today. The headlines are that English councils had collected 96.6% of the £17.7 billion of council tax collectable by the end of March - an increase of 0.1% on the previous year. Seventeen of the bottom 20 authorities in 2003/04 improved their collection rates in 2004/05.

Details can be found in the ODPM News Release 2005/0120 using the following link:

http://www.odpm.gov.uk/pns/displaypn.cgi?pn_id=2005_0120

The tables with the detailed figures can be obtained using the following link:

<http://www.local.odpm.gov.uk/financ/ctax/cp045.htm>

Deductions from State Pension Credits

We have been asked by a number of local authorities if deductions from pension credits can be applied for under the provisions of the Council Tax (Deductions from Income Support) Regulations 1993 S.I. 1993/494. The State Pension Credit (Consequential, Transitional and Miscellaneous Provisions) Regulations 2002 – S.I. 2002/3019 – amends a number of other SIs, including the Council Tax (Deductions from Income Support) Regulations 1993 to include references to “state pension credits”.

This means that with effect from 6 October 2003, deductions can be made from state pension credits.

Class G Exemption

A number of local authorities have asked about the treatment of caravans and exempt Class G under the Council Tax (Exempt Dwellings) Order 1992 SI 1992/558.

The phrase “occupation which is prohibited by law” was considered in the case of **Tower Hamlets London Borough Council v St Katherine’s by the Tower Ltd (1982) 80 L.R.G. 843** and it was held in that case that an unoccupied hereditament was not exempt from rates since the occupation of the hereditament was not prevented but only limited by planning restrictions. It is ODPM’s view that, similarly, a planning restriction preventing occupancy will not amount to “occupation which is prohibited by law” for council

tax purposes.

Individual billing authorities will of course need to decide, based on their own legal advice, whether a Class G exemption applies to a particular case, taking into account case law. Before doing so however, it will be worth considering whether in any case a Class C exemption applies. If a caravan is unoccupied it is vacant for the purposes of Class C; it does not need to be substantially unfurnished as well. Normal dwellings need to be both unoccupied and substantially unfurnished in order to qualify for a class C exemption – see article 2(2) of the Exempt Dwellings Order 1992.

Civil Partnership Act 2004: consultation on consequential changes to council tax legislation

The consultation period ended on the 3 June. We are now analysing the responses and a summary will be put on the website shortly.

Staff Changes

Stephen Benton has left ODPM to take up the post of Head of Policy, Transport, Environment and Planning at the Association of London Government. He is replaced as team leader for council tax policy by Patrick Owen. Brian Entwistle moves on 4 July to a new post in the ODPM's Central Correspondence Section to help with the council tax and other local government finance letters.

Contact

If you have any queries about anything in this letter, please contact Ronnie Gasper on 020 7944 4208 or David McDonald on 020 7944 4206 or fax to 7944 4179. Email: council.tax@odpm.gsi.gov.uk

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