

JEREMY KETLEY
COUNCIL TAX POLICY
LOCAL GOVERNMENT TAXATION DIVISION

DEPARTMENT OF THE ENVIRONMENT
TRANSPORT AND THE REGIONS

ZONE 5/J2
ELAND HOUSE
BRESSENDEN PLACE
LONDON
SW1E 5DU

DIRECT LINE: 0171 890 4206
DIVISIONAL ENQUIRES: 0171 890 4208
FAX: 0171 890 4209
GTN CODE: 3533 4206
email: jeremy_ketley@detr.gsi.gov.uk

OUR REF: CTIL19

11 November 1999

Dear Chief Finance Officer

COUNCIL TAX INFORMATION LETTER NO.19

This information letter covers the following matters:

- Exempt Class A
- Attendance criteria for students
- Carers discount disregards and residential care homes
- Certification of Bailiffs procedures
- Updated contact sheet

Exempt Class A

On 27 May, we made an amendment to council tax exempt Class A, which from 1 April 2000, will limit the period of exemption under this class to a maximum of one year. The maximum period of exemption starts from the date that the dwelling first became exempt under Class A, i.e. vacant and either requiring or undergoing major repair works to render it habitable or undergoing structural alterations. However, some local authorities have taken the view that because of the wording of the amendment, the maximum period of exemption should be calculated from the date the dwelling became first became vacant.

It is our view that the maximum period starts on the date the dwelling first met the conditions for exemption on the grounds of its requirement for major repair or its undergoing structural alteration, rather than the date it first became vacant. However, we recognise that certain local authorities have significant reservations with this interpretation and believe that if the regulations are left as they are, there may be disparity of application when they come into effect on 1 April. In order to avoid this, we propose to substitute a revised formulation of Class A to put it beyond argument that the period starts to run on the date the dwelling is both vacant and in the requisite condition, and not when it first became vacant.

I will let you know details of the substitute regulation once it has been made.

Attendance criteria for students

To qualify as a student for council tax purposes, a person must be undertaking a full time course of education at a prescribed educational establishment. A full-time course of education is defined as one which normally requires on average at least 21 hours of study a week and 24 weeks of attendance each year (whether at premises of the establishment or otherwise).

At present, because of the requirement to attend, students who choose to undertake full-time study from home, rather than attend elsewhere, may not qualify for a discount disregard or exemption, even if they meet the other criteria. Furthermore, they may be treated as full-time students for benefits purposes because, although the benefits regulations refer to “attend”, we understand from DSS that for benefit purposes a person is deemed to be attending a course if they are undertaking a course.

We are currently reviewing whether the attendance criterion remains justified for council tax purposes, particularly in view of the Government’s commitment to lifelong learning. There are many reasons, such as family commitments, why someone who wishes to study full-time for a degree may, where the rules of the relevant educational institution permit, wish to do so from home rather than move to a university. Furthermore, technical innovations have made studying full-time from home for university degrees more accessible than when the council tax was introduced. Before we decide to amend the regulations, however, we need to satisfy ourselves that we are not creating additional problems, for example, by encouraging enrolment on correspondence courses purely in order to be exempt from council tax. On this latter point, in view of the cost of courses, this may be unlikely.

If you have any views on this matter, I would welcome **these by 15 December**.

Carers discount disregards and care homes

We have received a number of queries about the discount disregard for carers in the context of care homes. In particular, whether owners or employees of care homes can qualify for the discount disregard, particularly where the care provided is spread over more than one resident in need of care.

There are two separate sets of conditions for disregard set out in Parts I and II of the schedule to SI 1992/552. Part I concerns carers in employment with, or engaged on behalf of, a public or charitable body, whose duties include the provision of care or support and who live in “premises“ provided by or on behalf of the public or charitable body for the better performance of their work. There is no link in Part I between the requirement for 24 hours of care and any particular individual cared for. This Part applies irrespective of the numbers of persons cared for on the premises. So, subject to the financial limit imposed by this Part on the remuneration paid, employees in care homes may qualify for the disregard where Part I applies.

By contrast, Part II is concerned with the domestic rather than the institutional environment, as is clear from the reference to a “dwelling” and to disqualification of relatives who have, or have assumed, common law obligations to provide care. Part II requires the carer to be “providing care to a person” in receipt of a qualifying benefit and requires him or her to be resident “in the same dwelling” as that person and also requires him to be providing care for that person for at least 35 hours a week. The linkage of the

care to the person and to the qualifying benefit implies that the minimum hours are to be provided individually in respect of each person cared for before the tests for disregard can be met.

In the Department's view, although these tests can in principle be met where there is more than one such person cared for in a dwelling, it would require to be shown that each individual could properly be said, on average, to be benefiting from at least 35 hours of individual care.

The Modification and Strengthening of the Bailiff Certification and Complaints Procedures

The Lord Chancellor's Department has amended the bailiffs certification procedure, from 4 October 1999. The relevant statutory instrument is SI 1999/2360. Briefly, the changes are:

The Bailiff's Special Certificate will be obsolete

A reduction in the number of county courts with jurisdiction to issue certificates

Standardised security checks irrespective of whether applicants are applying for a first certificate or a renewal, including advertising in local newspapers

The introduction of a new application form and a new complaints form

The introduction of an information leaflet about bailiffs and sheriff's officers

Clarification on the existence of a bond throughout the period of a certificate

Contact sheet

An updated contact sheet for LGT is attached.

Please feel free to discuss any matter raised in this CTIL with me.

JEREMY KETLEY

LOCAL GOVERNMENT TAXATION DIVISION CONTACT LIST

HEAD OF DIVISION

-

STEPHEN CLAUGHTON (ZONE 5/H1)

NON-DOMESTIC RATES	Andrew Colski <i>Assisted by</i>	<i>Telephone:</i> 0171 890 4225	<i>Zone:</i> 5/J1
Local rate supplement and rate relief for small businesses.	John Sullivan	0171 890 4224	5/J1
Rating valuation - central list. Prescribed assessment.	Luis Jarero	0171 890 4203	5/J
Plant & Machinery review. Exemptions.	Nick Cooper	0113 214 0560	*
Rating Valuation - central list. Prescribed Assessment.			
Appeals system. Rating valuation - local list.	Tony Capp	0171 890 4197	5/J1
Revaluation 2000. Relief for Sports clubs.	Peter Emechete (as from 29 Nov)	0171 890 4217	5/H1
Crown property rating.			
Billing, collection and enforcement.	Geoff Salvatore	0171 890 4223	5/J1
Payments into the NNDR pool. Transition.			
Interest payments. Unoccupied property.			
Domestic/ non-domestic boundary. Relief (excl. sports clubs). Village shops.			
General Enquiries	Edward Stanislas	0171 890 4216	5/J1

COUNCIL TAX	Jeremy Ketley <i>Assisted by:</i>	<i>Telephone:</i> 0171 890 4206	<i>Zone:</i> 5/J2
General enquiries and publications	Barbara Paterson	0171 890 4208	5/J2
Liability, discounts, exemptions and reductions for disability. Administration, collection and enforcement. Attachment of earnings help line. Valuation, banding and appeals.	Tom Maunsell / Brian Entwistle	0171 890 4187 0171 890 4186	5/H2 5/H3

VALUATION TRIBUNALS	Ron Nash <i>Assisted by:</i>	<i>Telephone:</i> 0171 890 4196	<i>Zone:</i> 5/J3
Policy, finance and administration of valuation tribunals.	Joe Ismail	0171 890 4193	5/J3
Monitoring of valuation tribunals' expenditure and performance.	Graeme Auger	0171 890 4195	5/J3
Valuation tribunals personnel officer	Paulette Hibbert	0171 890 4188	5/J4

When writing, please use the zone reference.

Our full address is: Department of the Environment, Transport & the Regions, Eland House, Bressenden Place, London SW1E 5DU

Our fax number is 0171 890 4209.

*Nick Cooper's address is: c/o Valuation Office Agency, 4th Floor, 25 Queen Street, Leeds LS1 2UN

His fax number is 0113 2140599.

Individuals (including Nick) can be e-mailed as follows:: eg nick_cooper@detr.gsi.gov.uk