

## **GUIDANCE ON EXEMPT CLASS A (effective from 1 April 2000)**

### **Wording of new class A**

In article 3 of the Council Tax (Exempt Dwellings) Order 1992, for Class A there is substituted –

“ Class A:

(1) A dwelling which satisfies the requirement set out in paragraph (2) unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question;

(2) the requirement referred to in paragraph (1) is that the dwelling is vacant and-

(a) requires or is undergoing major repair work to render it habitable, or

(b) is undergoing structural alteration, or

(c) has undergone major repair work to render it habitable, if less than six months have elapsed since the date on which the work was substantially completed and the dwelling has continuously remained vacant since that date, or

(d) has undergone structural alteration, 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;

(3) for the purpose of paragraph (2) above "major repair work" includes structural repair work;”.

### **Guidance**

#### Come 1 April 2000, when does the new 12 month limit start?

On 1 April, when the new exempt class A takes effect, a dwelling which is need of major repair works to render it habitable, or is undergoing structural alteration, will be exempt only if it has been in need of or undergoing such works for less than 12 months.

For example, any dwelling on 1 April which has been in need of major repair works to render it habitable, or is undergoing structural alteration, for more than 12 months will cease to be exempt. From that date (unless any other exemption applies) the standard 50% charge for dwellings which are no-one's main residence will apply.

A further example: if a dwelling became in need of major repair works to render it habitable on 1 October 1999, the dwelling could not be exempt under class A beyond 30 September 2000.

#### Can we still grant an additional six months of exemption once works have been substantially completed but the dwelling remains vacant?

The new exempt class A still provides for a dwelling to continue to be exempt for up to six months following the substantial completion of works if the dwelling remains vacant. However, the overall limit

for exemption under class A remains 12 months. It is not 12 months whilst in need of repair plus a further six months once completed and still vacant.

For example, if a dwelling becomes exempt under class A on 1 July 2000 and works are completed 9 months later on 1 April 2001, if the dwelling remains vacant, it will continue to be exempt up to and including 30 June. It could not be exempt under class A any longer than this because that would take the period of exemption over 12 months.

A further example, if a dwelling becomes exempt on 1 April 2000 and works are completed on 30 June, if the dwelling remains vacant, it could be exempt until 31 December (up to 6 months later).

#### Can an exempt Class C be granted immediately after Class A expires?

I cannot envisage any circumstances when it should be necessary or possible to grant exempt class C immediately after an exempt Class A.

Every class of exemption applies on a day a dwelling meets the criteria for exemption. Therefore, because to be exempt under class A requires the dwelling to be vacant (the same as for Class C) the day exempt class A applies to a dwelling, exempt class C will also apply. It follows, therefore, that where a dwelling has been exempt under class A for six months, it will also have been exempt under class C for six months because the conditions on vacancy will have been met.

If a dwelling becomes vacant and in need of major repairs to render it habitable and such repairs are completed six months later, authorities should not then apply exempt class C. Exempt class C could no longer apply since the dwelling will have been vacant for six months. However, the dwelling could continue to be exempt under class A whilst it continues to be vacant because of the provision within class A for up to a further six months of exemption following completion of the works.

#### Can derelict dwellings formerly exempt under Class A be taken off the valuation list?

There may well be cases where derelict dwellings (which could no longer be properly regarded as dwellings) have remained on the valuation because the indefinite nature of exempt class A before 1 April 2000 gave owners no incentive to seek to have a derelict property deleted from the list. Cases might include old farm dwellings where only the walls remain and are only used as a sheep pen. Because exempt class A meant that no council tax was payable, owners may not have bothered to approach the listing officer to consider whether those four walls could properly be considered a dwelling for council tax purposes.

Authorities may well find that owners of dwellings previously exempt under class A may approach the listing officer to remove the building from the council tax list following receipt of council tax bills.

Similarly, owners may seek to have the property condemned as unfit for human habitation and therefore exempt under class G.