



Council Tax Information Letter 1/2005

This is the first Council Tax Information Letter of 2005 – number 1/2005. The last letter of 2004 was CTIL 7/2004. We hope that you like the new format for our CTIL letters. Please contact council.tax@odpm.gsi.gov.uk if you have any comments on its appearance or content

The topics covered in this letter are:

- Review of regulations on council tax discounts for second homes and long term empty property
- Civil Partnership Act 2004
- Imprisonment of council tax and community charge defaulters: European Court of Human Rights judgements
- Council Tax Revaluation

Council Tax: Review of Regulations on discounts for second homes and long term empty property.

We have been monitoring the first year of operation of the regulations which gave local authorities discretion to vary the council tax discount on second homes and long term empty properties. Generally the feedback has been that they have been working well.

The original policy intention was for the job related concession to apply to second homes in England where the main home was anywhere in England, Scotland and Wales. However the wording of the regulations meant that the discount is not retained for Ministers of Religion and service personnel who have their main home in Scotland. It has also become apparent that it is arguable whether the 50% discount is generally retained where the main home is in Scotland or Wales.

ODPM consulted on whether the regulations should be amended to carry out the original policy intention and also consulted on further optional changes about whether the concession should be extended to apply where any person, or just Ministers of Religion and/or service personnel, who have their main home in Northern Ireland or in other places outside the UK.

In the light of responses to the consultation, Ministers have decided not to extend the job related concession but to amend the regulations so that the original policy intention - that the concession is retained where the main home is anywhere in Great Britain – is achieved.

The regulations have been laid before Parliament today (8 March) and will come into force on 1 April. A copy of the new regulations will be sent to local authorities shortly. They can also be found at the following link:

<http://www.legislation.hmso.gov.uk/si/si2005/20050416.htm>

Civil Partnership Act 2004

The Civil Partnership Act 2004 comes into force on 5 December 2005 and has implications for council tax legislation, for example providing for (same sex) civil partners to be jointly and severally liable for council tax in the same way as married couples.

“there is no reason why committal to prison cannot continue in appropriate cases”

Ministers intend to make a number of consequential changes to secondary legislation and propose these will come into force on 1 April 2006 rather than during the course of the financial year 2005/06. We will shortly be consulting on the details of the necessary legislation.

Imprisonment of council tax and community charge defaulters: European Court of Human Rights judgements

You may be aware of the recent judgements from the European Court of Human Rights in the cases of **Lloyd and Others v United Kingdom** and **Beet and Others v United Kingdom** in which the Court found various breaches of the European Convention on Human Rights arising from the imprisonment of council tax and community charge defaulters. The cases also relate to the imprisonment of persons for non-payment of fines. In relation to the non-payment of council tax and community charge, the Court held that the magistrates had failed to conduct a proper means inquiry before making orders committing the taxpayers to prison. Further, the taxpayers ought to have had access to Legal Aid at committal hearings as their liberty was at stake. Legal aid has been available in such circumstances, subject to a means test, since 1 June 1997 and should have been available to various of the applicants in the cases.

These cases emphasise the importance of magistrates conducting proper means enquiries before persons are committed to prison. But if proper means inquiries are carried out, and if council tax defaulters who are eligible for legal aid at their committal hearings are represented under the Legal Aid scheme, there is no reason why committal to prison cannot continue in appropriate cases.

Council Tax Revaluation

Whilst many of you will be focusing your efforts on work associated with the end of one billing year and the beginning of another, the Valuation Office Agency (VOA) is well-advanced in its preparations for the revaluation of all council tax bands - due take effect in April 2007.

This first revaluation since the introduction of council tax in 1993 is a huge undertaking with 22.1 million dwellings in England to account for. Listing Officers, the statutory officers with responsibility for council tax bandings employed by the VOA, are keen to ensure that the bandings applied are fair and accurate from the outset. They have digitised their paper-based records of property attributes but have some gaps; for example where alterations have been made but there has been no sale to trigger a review of the council tax band.

“We would encourage a positive response from local authorities to the requests of listing officers”

The VOA is conscious that a vast amount of information on alterations to dwellings is held by local authorities as a result of their building control and town planning responsibilities. Listing Officers have, or will soon be, writing personally to Local Authority Chief Executives inviting them to help facilitate the sharing of this information. This help might be in the form of access to plans or other records held by the local authority, although circumstances will be different for each authority.

The important thing is that representatives of the VOA and of local government work together in a joined-up way to improve the service to the council taxpayer, in a way that projects such as Valuebill are already promoting. Helping the VOA get the bandings right first time is in everyones interest and we are fully supportive of this initiative.

We would encourage a positive response from local authorities to the requests of Listing Officers. If you would like to initiate this please email Tim Eden, VOA Business Change Manager for the Council Tax Revaluation (tim.g.eden@voa.gsi.gov.uk), who will be happy to discuss this and put you in touch with your local Listing Officer.

Contact

If you have any queries about anything in this letter, please contact Brian Entwistle on 020 7944 4186 or David McDonald on 020 7944 4206 or fax to 7944 4179. Email: council.tax@odpm.gsi.gov.uk

Stephen Benton
Council Tax Policy Team Leader
LGF2
Zone 5/H6
Eland House
Bressenden Place
LONDON SW1E 5DU

Web site: www.odpm.gov.uk

8 March 2005