

## TEST VALLEY BOROUGH COUNCIL: CLASS D DISCOUNT POLICY (PROPERTIES UNDERGOING MAJOR REPAIRS OR STRUCTURAL ALTERATION)

### Relevant Legislation:

- Local Government Finance Act 1992
- Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003
- Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012

Section 11A of The Local Government Finance Act 1992 makes special provision in relation to the empty homes discounts, providing for the discounts to be reduced by the Local Authority in relation to certain classes of dwelling prescribed by the Secretary of State.

The regulations list several classes of dwellings where this applies. Class D dwellings are referred to in the amended 2012 regulations, as follows:

Regulation 2: For the purposes of Class D—

- (a) a dwelling is vacant on any day if on the day—
  - (i) in the case of a dwelling consisting of a pitch occupied by a caravan or a mooring occupied by a boat, the caravan or boat is unoccupied; and
  - (ii) in any other case, the dwelling is unoccupied and substantially unfurnished; and
- (b) in considering whether a dwelling has been vacant for any period, any one period, not exceeding six weeks, during which it was not vacant shall be disregarded.

Regulation 8: The class of dwellings described in this regulation (“Class D”) comprises every chargeable dwelling in England—

- (a) which satisfies the requirement set out in paragraph (b) unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question;
- (b) the requirement referred to in paragraph (a) is that the dwelling is vacant and—
  - (i) requires or is undergoing major repair work to render it habitable, or
  - (ii) is undergoing structural alteration; or
  - (iii) has undergone major repair work to render it habitable, 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;
- (c) for the purposes of paragraph (b) above “major repair work” includes structural repair work.

In summary, Regulation 8 refers to two types of dwelling:

- Subparagraphs b(i) and b(iii) refer to uninhabitable properties which require, are undergoing, or have undergone major repair work to make them habitable.
- Subparagraph b(ii) refers to properties which are undergoing structural alteration (the property does not need to be uninhabitable).

This policy details how the Council assesses major repair work and structural alteration for the purpose of awarding a Class D Discount.

### **Major Repairs to Render a Property Habitable**

There are several components to the 'major repairs' discount. The discount may be awarded if the property is vacant and any of the following conditions apply:

- the property requires major repairs to render it habitable **(the work does not have to be carried out; the property just has to be in need of the work)**
- the property is undergoing major repairs to render it habitable **(the work is currently being carried out)**
- the property has undergone major repair works to render it habitable and less than six months have elapsed since the work was substantially completed, and it has remained vacant throughout (the discount may continue for up to six months following completion of work, provided that the property remains unoccupied and unfurnished throughout the period, subject to a maximum discount period of twelve months)

'Major repair work to render a dwelling habitable' is not defined in the legislation. The Council has therefore broken these terms down as follows:

**Major repairs** are normally considered to be those which affect the fabric of the premises including (but not limited to) major roof or external wall repairs, foundation work and work relating to supporting walls.

Major fire or flood damage and major repairs to floorboards and joists.

Non-qualifying work includes (but is not limited to) replacement or upgrading of plumbing, wiring, bathrooms, kitchens, flooring, doors, windows and eradication of minor damp problems. We look at whether the property was in need of major repair work before the commencement of the work rather than as a result of the work. If a property becomes uninhabitable because the bathroom and kitchen have been removed for replacement this would not generally constitute a need for 'repair'.

### **To Render Habitable**

To render a dwelling habitable, it must first have been uninhabitable. The Council will require evidence that a property is uninhabitable such as a surveyor's report as evidence and supporting photographic evidence.

However, the Council will not consider a dwelling to be uninhabitable in cases where it was initially habitable and has subsequently become uninhabitable due to work being carried out upon it. (For example, an occupier may wish to replace a functioning plumbing system with an improved system; once the original system is removed, the property might be considered

uninhabitable until the new system is installed. The property was not initially uninhabitable, so a Class D discount will not apply.)

The following evidence will be required from the applicant:

- A surveyor's report to confirm the property is uninhabitable
- Photographs showing the property in its uninhabitable state
- Plans showing the intended repairs
- Invoices, receipts or quotes for the repair work
- Photographs showing the work being undertaken (if work has started)
- Photographs showing the completed work (if work has been completed)

### **Structural Alteration**

This must include changing the dwelling in some physical way from what it was to something different. For example, repositioning of interior walls and adding an extension which involves knocking through exterior walls.

The Council does not consider the following to be structural alteration:

- fitting of kitchens and bathrooms
- changes to internal (non-load bearing) walls
- rewiring
- plumbing
- redecoration

The following evidence will be required from the applicant:

- plans showing the intended alteration
- photographs showing the structure prior to alteration
- photographs showing the structure undergoing alteration

If the Council is under any doubt whether the alteration is structural (for example, whether or not a wall load bearing) the applicant must provide evidence from a qualified professional (such as a surveyor or builder).

### **Amount and Duration of Discount**

For structural alteration, the 100% discount will commence from the date that alteration work commences, and it will expire on the date that alteration work is completed, subject to a maximum period of twelve months.

For major repair work, the 100% discount may commence from the date that the property first required repairs or started undergoing repairs, as agreed between the applicant and the Council. This discount will expire six months after repair work is completed, subject to an overall maximum period of twelve months.

In all cases, the taxpayer has a duty to advise the Council within twenty-one days of the work being completed or of the property becoming occupied or furnished.

## **Application**

An application form is required for a Class D Discount and can be accessed [here](#). Alternatively, an application may be posted to the applicant upon request by emailing [counciltax@testvalley.gov.uk](mailto:counciltax@testvalley.gov.uk) or by telephoning 01264 368000.

The application form details what evidence is required to support your application.

All decisions will be notified in writing.

## **Appeal Rights**

If you disagree with this decision, you can request an appeal in writing to us at address above. If the decision remains unchanged or you do not receive a response within two months, you can appeal direct to the Valuation Tribunal.

Appeals to The Valuation Tribunal can be made on their website [www.valuationtribunal.gov.uk](http://www.valuationtribunal.gov.uk). Alternatively, you can write to them at 2nd Floor, 120 Lemn Street, London, E1 8EU. You must advise the Valuation Tribunal what you are disputing and why you are disputing it.