

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 (i) and (iii) refer to uninhabitable properties which require, are undergoing, or have undergone major repair work to make them habitable.
- Subparagraph (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

The Department of the Environment advised in its document "Consolidated liability, discount and exemption legislation" of 20 June 1995 that an authority might wish to consider the cost and extent of the works required, and the time that those works would take to carry out, together with any obvious features of the work.

The Council considers repair work to be major if:

- it is costly
- it is time-consuming
- it requires expertise to be carried out

Repair works

'Repair work' is not defined in the legislation (though it advises that it can include structural repair work). The dictionary definition of 'repair' is: *restore (something damaged or faulty) to a good condition*. Therefore, replacing something which was not originally damaged or faulty would not be considered a repair.

General guidance suggests that rewiring, plumbing or installation of a kitchen/bathroom when carried out individually does not constitute major repairs. However, whilst certain defects taken individually will not necessarily constitute 'major repairs', a combination of

defects when aggregated might reasonably be considered 'major'. The Council does not deem decoration to be repair work.

To Render Habitable

To render a dwelling habitable, it must first have been uninhabitable. The Council will accept a surveyor's report as evidence that a property is uninhabitable, with 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

In order to qualify for the Class D discount due to structural alteration, the dwelling must be vacant, and the actual structure of the property – that is, the foundations, load-bearing walls, the roof or flooring between levels – must be undergoing alteration. (If it is being repaired, or replaced like-for-like, this is not alteration; that work must therefore be considered under the 'major repairs' criteria.)

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 or not 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

Test Valley Borough Council awards a 100% discount in respect of Class D dwellings.

For structural alteration, the 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 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 a 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. [This may be downloaded from our website here](#). Alternatively, an application may be posted to the applicant upon request by emailing counciltax@testvalley.gov.uk or by telephoning 01264 368000.

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

The Decision Process

Upon receipt of an application, the Council will allow twenty-one days for the supporting evidence to be provided. The discount will be refused if evidence is not provided within this timeframe.

Upon receipt of the application and supporting evidence, a Council Officer will assess entitlement as follows:

Major repairs to render a property habitable

1. Is the property uninhabitable? To confirm it is uninhabitable, the applicant must describe why it is uninhabitable, and this must be supported up by a surveyor's report and photographic evidence.
2. What repairs are required to change the property from being uninhabitable to being habitable? Each of the repairs must go towards repairing faults outlined in point 1 (any work which does not relate to the faults will be ignored).
3. Are the eligible repairs in point 2 considered major? Repairs are considered major if they are costly, they are time-consuming and they require expertise to be carried out.

To ensure consistency across all applications, the Council uses a scoring system based on a comparison of the cost of work with the value of the dwelling, how long the works are expected to take to complete, and whether the work will be carried out by the applicant or by a qualified independent party.

Structural alteration

1. Does the structural work involve any of the following?
 - a. Foundations
 - b. Load-bearing walls
 - c. Roof

d. Flooring between levels of the dwelling

2. Will the work result in alteration to any of these structures?

The Council's decision will be notified in writing.

Appeal Rights

If the discount is refused, the taxpayer has the right to appeal to the Council in the first instance. This appeal will be reviewed by a member of the Local Taxation management team. If the taxpayer is still dissatisfied with the manager's decision, or does not receive a response within two months, the taxpayer may appeal directly to the Valuation Tribunal.