



# Council Tax Explanatory Notes

## Council Tax Valuation Bands

Every dwelling in Wales has been placed by the Valuation Office Agency in one of nine valuation bands according to its capital value at the 1<sup>st</sup> April 2003. Your Council Tax bill shows the band for your dwelling. The bands for Wales are:

| Valuation Band | Range of Values     |
|----------------|---------------------|
| A              | Up to £44,000       |
| B              | £44,001 - £65,000   |
| C              | £65,001 - £91,000   |
| D              | £91,001 - £123,000  |
| E              | £123,001 - £162,000 |
| F              | £162,001 - £223,000 |
| G              | £223,001 - £324,000 |
| H              | £324,001 - £424,000 |
| I              | £424,001 and above  |

If you have any queries on your banding you can contact the Valuation Office Agency on 03000 505 505.

## Appeals

The Valuation Office Agency (VOA) values domestic properties for council tax. This valuation is used to set your council tax band. You might need to contact the VOA if you think your council tax band is wrong.

You can find out more about when you can challenge your band and what you need to do at [gov.uk/challenge-council-tax-band](http://gov.uk/challenge-council-tax-band). If you challenge your band, you must continue to pay council tax at your current band until your appeal is decided.

You can contact the VOA at [gov.uk/contact-voa](http://gov.uk/contact-voa). If you are unable to use the online service, you can also contact the VOA on 03000 505 505.

You may wish to appeal against certain decisions made by the Council (e.g. matters regarding liability, chargeable dwellings and calculations of the Council Tax). In these circumstances, you should write to the Council so that your case can be reviewed. If you are not happy with the Council's reply, you can appeal to a Valuation Tribunal.

**If your Council Tax demand shows that you are receiving a discount / exemption or any other reduction please read the explanatory notes.**

**If you consider that you are still entitled to the reduced bill you do not need to take any further action. If, however your circumstances have altered and you are no longer entitled to the reduction you are required by law to advise the council immediately.**

Set out below is a brief description of exemptions and discounts available. The information is for guidance only; full details of individual exemptions and discounts are available on request.

## Exempt Dwellings

Most dwellings will be subject to the council tax, but some will be exempt and there will be no council tax to pay on them. These are:

| Category | Description   |
|----------|---|
| A        | - <b>Property that is unoccupied and substantially unfurnished which requires or is undergoing, has undergone, major repair works or structural alterations to render it habitable. The exemption continues for six months after the completion of works or for a maximum of 12 months, which ever is the shorter period.</b> |
| B        | - Property that is owned by a charity, was last used for charitable purposes and has been unoccupied for a period of up to 6 months.  |
| C        | - Property that is and has been unoccupied and substantially unfurnished for a period of up to 6 months.  |
| D        | - Property that is unoccupied and was, or will be, the sole or main residence of a person in detention.   |
| E        | - Property that is unoccupied and was the sole or main residence of a person in hospital, residential care home, nursing home, mental nursing home or a hostel.   |
| F        | - Property that is unoccupied and is held by the personal representatives of a deceased person, for a period of up to 6 months after the granting of probate.   |
| G        | - Property that is unoccupied where occupation is prohibited by law.  |
| H        | - Property that is unoccupied and held as being available for occupation by a minister of religion.   |
| I        | - Property that is unoccupied where it was last occupied by a person who is a resident elsewhere receiving care.  |
| J        | - Property that is unoccupied where it was last occupied by a person who is resident elsewhere providing care.  |
| K        | - Property that is unoccupied where it was last occupied solely by a student or students.   |
| L        | - Property that is unoccupied where the mortgagee is in possession under the mortgage.  |
| M        | - Property that is a hall of residence for students.  |
| N        | - Property that is occupied only by a student or students.  |
| O        | - Property owned by the Ministry of Defence held for the purpose of armed forces accommodation.   |
| P        | - Property where at least one liable person is a member of a visiting force or is an adult dependent of a member of a visiting force.   |
| Q        | - Property that is unoccupied and is held by a trustee in bankruptcy.   |
| R        | - Property consisting of a pitch or mooring which is not occupied by a caravan or boat.   |
| S        | - Property that is occupied solely by a person or persons aged under 18 years.  |
| T        | - Property that is unoccupied, forms part of a single property which includes another dwelling and may not be let separately from that other dwelling without breach of planning control.   |
| U        | - Property that is occupied solely by a person or persons who are severely mentally impaired.   |

- V - Property where at least one liable person is a diplomat or a person on whom diplomatic privileges are conferred.
- W - Property that is an annex or similar and is occupied by a dependent relative.
- X - Property that is occupied by one or more care leavers and every resident is either a care leaver, student or a severely mentally impaired person.

If you think your property may be exempt, you should contact the Council.

## People with Disabilities

If you, or someone, who lives with you, need an extra room or extra space in your home e.g. for use of a wheelchair, because of a disability, you may be able to get a reduction in your bill. This reduction would assume that your home had been placed in the valuation band covering homes immediately below the actual band. If your home is a Band A, you can now still qualify for a reduction. Please contact the Council for further information if you think that you may qualify.

## Discounts

There are discounts available to reduce your council tax liability, this can be a 25% or a 50% discount depending on the circumstances. For instance, if you are the only person resident in a dwelling you would be entitled to a 25% discount. However, if there is more than one resident you may still qualify for a 25% or 50% discount depending on the circumstances of the residents. The people listed below are not counted as being resident and if you think you may be entitled to a discount you should contact the Council.

- 1 - Persons in detention
- 2 - Persons who are severely mentally impaired
- 3 - Persons in respect of whom Child Benefit is payable
- 4 - Most full-time students
- 5 - Some Hospital patients
- 6 - Patients in residential care homes, nursing homes, mental nursing homes
- 7 - Certain care workers
- 8 - Persons resident in certain hostels or night shelters
- 9 - Members of international Headquarters and Defence Organisation (e.g. NATO)
- 10 - Members of religious communities
- 11 - Certain school leavers
- 12 - Members of visiting forces and their adult dependents

## Single Person Discount - residents reaching the age of 18

Please note that the single person discount may no longer apply when any other resident reaches the age of 18 unless they fall to be disregarded for council tax purposes. Please refer to the list above or contact Revenue Services for further information.

## Second Homes

Properties that are unoccupied and furnished fall within the (Prescribed Classes of Dwellings) (Wales) Regulations. The Council has resolved not to award any discount to properties that fall within these defined classes.

## Second Home Premium

The definition of a second home is a dwelling which is not a person's sole or main home and is substantially furnished. The Council has resolved to charge a premium of 50% since the 1.4.17 which is in addition to the standard rate of council tax for properties that fall within this definition. From the 1.4.22 the rate of premium has increased to 100%.

The regulations prescribe 7 classes of dwellings which are excepted from the premium: -

- Class 1 – Dwellings being marketed for sale – time limited to one year
- Class 2 – Dwellings being marketed for let – time limited to one year
- Class 3 - Annexes forming part of and being used as part of the main dwelling
- Class 4 – Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation
- Class 5 – Occupied caravan pitches and boat moorings
- Class 6 – Dwellings where a planning condition prevents occupancy for a continuous period of at least 28 days in any 12-month period, such as chalets and purpose built holiday homes
- Class 7 – Dwellings which are periodically occupied as a person is required to reside elsewhere in job related accommodation

## Empty Properties

Properties that are unoccupied and unfurnished will attract a 100% charge after any Class A or Class C exemption has expired.

At the Council meeting on the 19<sup>th</sup> October 2017 Members resolved to introduce a premium from the 1.4.19 for properties that have been empty (unoccupied and unfurnished) for more than 3 years.

Therefore, any property that meets the above criteria will be subject to a premium which will be implemented as follows:

- From 1 April 2019 the council tax premium would be 25% i.e. 125% annual Council Tax charged for properties empty for three years or more.
- From 1 April 2020 the council tax premium would be 50% for properties empty for four years or more i.e. 150% annual Council Tax charged.
- From 1 April 2021 the council tax premium would be 100% for properties empty for 5 years or more i.e. 200% annual Council Tax charged.

There are 4 statutory exceptions to the premium as detailed below:

Class 1 – Dwellings being marketed for sale – time-limited for one year

Class 2 – Dwellings being marketed to let – time limited for one year

Class 3 – Annexes forming part of and being used as part of the main dwelling

Class 4 – Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation

### Class 1 - Exception for dwellings being marketed for sale.

In order to qualify for this exception a dwelling must be on the market for sale at a reasonable price. In considering whether a price is reasonable, comparisons will be made regarding other properties up for sale/sold in the area. Evidence that the property is for sale will be required.

Please note that this exception is time limited to one year. However this period may be extended if a sale is imminent. You will need to apply in writing, our on-line form

can be found at Appeals process: Council Tax Premium for Long Term Empty Properties, [www.pembrokeshire.gov.uk/council-tax-discounts/empty-properties](http://www.pembrokeshire.gov.uk/council-tax-discounts/empty-properties).

## **Class 2 – Dwellings marketed to let.**

To qualify for this exception the dwelling must be on the market for let at a reasonable rent. Evidence that the property is being marketed for let will be required.

Please note that this exception is time limited to one year, however this period may be extended if a let is imminent. You will need to apply in writing, our on-line form can be found at Appeals process: Council Tax Premium for Long Term Empty Properties, [www.pembrokeshire.gov.uk/council-tax-discounts/empty-properties](http://www.pembrokeshire.gov.uk/council-tax-discounts/empty-properties).

## **Class 3: Exception for Annexes forming part of the main dwelling.**

This exception applies where an owner has adapted their dwelling to provide an annexe and the annexe is now being used as part of the main dwelling.

## **Class 4: Exception for Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation.**

This exception applies to dwellings that would be a person's sole or main residence but which is unoccupied because that person resides in armed forces accommodation.

It also covers armed forces personnel whose homes are unoccupied because they are living in armed forces accommodation overseas.

An appeal process has also been devised to allow for a discretionary discount to be granted to allow the taxpayer additional time before the premium will be applied. Consideration will be given to taxpayers who are currently renting a property whilst trying to renovate a property to use as their main home, where there are delays due to the presence of bats, or planning issues, or the property is a listed building and/or the level of work the property requires. Any application will also be subject to a financial test.

## **Council Tax Reduction Scheme**

The Council Tax Reduction Scheme will help people on low income to pay their council tax bills. For instance, if you are in receipt of Income Support, Job Seekers Allowance (Income Based), Pension Credit Guarantee Credit and Employment Support Allowance – Income Related, you will normally pay no council tax. You may qualify for a reduction if you are in receipt of Universal Credit or work and your income is below a certain level. Please contact Revenue Services for further details.

### **Discretionary Reduction**

The Local Government Act 2003 introduced new discretionary powers for local authorities in respect of council tax discounts. This provided local authorities with more freedom to determine or vary discounts and exemptions from council tax in order to take into account local problems such as flooding and other natural disasters. Discounts can also be applied in individual cases.

### **National Fraud Initiative – Data Sharing**

The County Council is under a duty to protect the public funds it administers. To this end from time to time it may use information provided to it for the prevention and

detection of fraud and share it with other bodies administering public funds solely for these purposes.

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