

Report on the Council Tax banding process for properties that undergo significant development

Committee name	Corporate Resources and Infrastructure Select Committee
Officer reporting	Tiffany Boreham, Finance Directorate
Papers with report	None
Ward	All

HEADLINES

This report explains the current process for reassessing council tax banding for properties that undergo significant development.

RECOMMENDATIONS

That the Committee:

- 1. Note the current process for reassessing council tax banding for properties that undergo significant development.**
- 2. Make any comment on the current process whilst recognising that this process is as per current legislation.**

SUPPORTING INFORMATION

Homeowners will often decide to extend their current property (if building regulations allow) as opposed to moving home.

To keep up to date with these developments we receive monthly reports from Building Control advising of all building works that are commenced/completed.

If the works involve an increase in potential living area within a property, then we raise a report on our Revenues system (NEC) to advise the Valuation Office Agency (VOA). These reports are forwarded to the VOA on a fortnightly basis.

The VOA in turn raises a case on their records which remains there until they are notified that a relevant transaction has taken place in respect of the property, most commonly a sale. The VOA get reports from the Land Registry informing them of any property transactions.

In some cases, if the works are extensive, the owner may ask the VOA to delete the property from the council tax list whilst the works are done. In these cases when the property comes back into the list after the works are completed the new band will reflect the larger area of the property.

Not all extensions will lead to a band increase, it depends on the original band and the extent of the works etc. More information and guidance can be found here [Council Tax band changes - GOV.UK](#)

The VOA can also review a band if they receive a proposal from the owner/occupier of a property requesting a band review for any reason.

PERFORMANCE DATA

Performance data is not recorded relating to this specific issue.

RESIDENT BENEFIT

Under the current legislation residents can significantly extend their homes without having to pay an increase in Council Tax based on the re-band. The new updated band will usually only be applied to the new owner once the property is sold.

FINANCIAL IMPLICATIONS

An increased amount of Council Tax cannot be charged until there has been a relevant transaction which equates to a loss of revenue for the Local Authority and means that similar sized properties are not always being charged the same Council Tax band.

Hillingdon have recently responded to the Council Tax Administration Consultation recommending that this is reviewed.

LEGAL IMPLICATIONS

Local Government Finance Act 1992

BACKGROUND PAPERS

[Council Tax band changes - GOV.UK](#)

APPENDICES

None