

Council tax

Council tax bands and self-contained units

The Valuation Office Agency (VOA) is responsible for allocating a council tax band to all domestic properties in England and Wales. A property's council tax band is based on what it would have sold for, on the open market, on 1 April 1991 in England and 1 April 2003 in Wales. These are known as the valuation dates.

All properties are placed in a band according to their value on the same date to ensure the system is fair to everyone. If your property did not exist on the valuation date, staff in our local offices have information about sales of similar properties that did exist to work out your banding.

Some properties occupied by one household (e.g. one family unit) are identified as consisting of more than one self-contained unit. Each unit must then be given a separate council tax band.

Self-contained units

A self-contained unit means:

'a building, or part of a building, which has been constructed or adapted for use as separate living accommodation.'

A self-contained unit can mean both a living space that is separate from other accommodation, and also living accommodation that is connected to, and sharing an access with, adjoining accommodation. This could be, for example, an annexe for an elderly relative.

The fact that a unit shares common services and cannot be sold on its own does not prevent it from being classed as self-contained and therefore liable for a council tax band.

Similarly, it makes no difference if the occupants of the main house use the unit. If a unit is constructed or adapted for use as separate living accommodation, then it will have a separate council tax band regardless of how it is used.

When considering whether any living accommodation is a self-contained unit, we take several key points into account.

These are:

- **The physical characteristics and layout:**
A self-contained unit must be capable of use as separate living accommodation
- **The physical identity of the accommodation:**
A self-contained unit will normally not be spread over different parts of a building. For example: Accommodation consisting of a living room and a kitchen, with a bedroom and a bathroom situated across a common hallway, is unlikely to be considered a self-contained unit.
- **Access:**
A self-contained unit does not need to have its own access to be regarded as self-contained. For example, separate living accommodation with a shared hallway and stairs would be classed as self-contained. However, if the only access to the separate living accommodation is via a living room – such as a reception room or bedroom of the main house it will not be regarded as self-contained.
- **The provision of standard facilities:**
A self-contained unit would normally have areas capable of use for living and sleeping, for food preparation, for washing and have a WC. Where a self-contained unit has had fittings removed, which could easily be reinstated as a matter of normal repair or renewal, then the unit will still be regarded as capable of separate occupation. Similarly, the actual use being made of the rooms in a self-contained unit is not a relevant consideration e.g. the fact that a former living room is used as a bedroom, or a former kitchen is used as a utility room.

Common examples of properties that are identified as self-contained units, or consist of self-contained units, are:

- annexes, or 'granny' flats, designed and built for elderly relatives
- accommodation for wardens in student hostels
- previously separate but adjoining houses/flats now occupied as one residence
- former servant's quarters in large older houses

Frequently asked questions The separate banding of self-contained units or annexes is a complex subject, which raises a number of questions from occupiers. Here are the most common ones, with our answers, to help you understand the implications for council tax. In most of the questions we have used the term 'annexe' for simplicity but the answers could apply to any self-contained unit.

Why is there more than one council tax band on my property?

Your home will have more than one council tax band because it comprises of more than one self-contained unit. This may be because you have, for example, an annexe to your home. Legally, all self-contained units are treated as separate properties for council tax purposes and must have their own council tax band.

Why has my home been banded separately when the rules explained here do not seem to apply?

If you live in a flat or bed-sit with some shared facilities, your home does not need to be entirely self-contained to be allocated a council tax band. For more information on the banding of flats and bed-sits in this situation go to the council tax page on our website www.voa.gov.uk. then click on the link 'Banding of multi-occupied properties'. You can also contact your local Valuation Office. 

? How will my council tax bill be affected?

Each self-contained unit will generate a council tax bill. There may be certain exemptions or discounts that apply, however, depending on your individual circumstances. Your local council can advise you on this and help you with any other general payment enquiries.

? My family are the only people who can occupy the annexe. Will I still have to pay council tax on it?

Sometimes there is a restriction on occupation, so that the annexe and the adjoining property can only be occupied by one household - usually a family. However, under current legislation the VOA must assume that a self-contained annexe can be sold separately, on the open market, as either freehold or on a long lease. Any impact a legally enforceable restriction has on the annexe's value will be taken into account when it is assessed for council tax, but will not stop an annexe being separately banded.

? My elderly relative moves into the annexe. Will he/she have to pay council tax?

If your elderly relative is over 65 years old and wholly dependent then he/she will be exempt from payment as long as it can be shown that it is their main residence and you, as the caring relative, live in the main part of the property.

? If my relative lives partly in the annexe and partly in the main house, is the annexe still considered self-contained?

Yes, it will still be treated as a separate property and will have its own band. It is the construction that counts, not the way the accommodation is used or shared.

? What happens when the annexe is vacated?

If the annexe is vacated a separate council tax banding will still apply. It will still have its own council tax band even if it is then occupied together with the main house, as one residence. You should contact your local authority who will be able to advise you on all matters of payment, which might vary according to the particular circumstances of your case.

? I want to alter the annexe so that it becomes part of the main house and is no longer viewed as self-contained. Can you help?

We are unable to give specific advice on building or structural matters. If you have detailed proposals or plans, however, we will be happy to consider them and explain how these would affect your council tax banding.

As a very rough guide, we always view the property as being in a reasonable state of repair; therefore simply removing fittings that could normally be renewed does not mean that the property is no longer self-contained. For example, if you remove a cooker, capping off the point or remove a sink but leave the plumbing and drainage intact, these measures would most probably be insufficient on their own to change the self-contained status. Any alterations must be much more significant and change the character of the room completely, so that it can no longer be used in its original form without having to carry out substantial works of reinstatement.

? What can I do if I'm unhappy about the council tax band?

If you feel that the council tax band of your property is incorrect you should get in touch with your local Valuation Office. You have six months from the date the alteration to the property was made to make a formal challenge to the entry/entries in the valuation list. There is no deadline if you wish to make a challenge against your property being classed as comprising of self-contained units. If you have just moved into the property you have six months from the date you moved in to make a formal challenge. You can do this online at www.voa.gov.uk or on a form available from your local Valuation Office. If you don't make a formal challenge within six months, you can still ask us to review your case informally.

However, if you do not satisfy the limited circumstances in which a formal challenge to the valuation list entry can be made you have no right of appeal to our decision, i.e. you cannot then ask the independent Valuation Tribunal Service to look at the case.

Further help

Further information about the VOA and council tax can be found on our website at www.voa.gov.uk. You can also find details of your local Valuation Office in the telephone directory.

Feedback

We are committed to improving our services to customers. Your comments on this or any of the information leaflets we provide will be welcomed. Please send your comments to the Customer Services Manager at the local office.

Please note that this fact sheet is for guidance only and is not a full explanation of the law. It will not cover all individual circumstances. You should contact your local Valuation Office if you have any queries or want to clarify the circumstances of a particular case. Any questions about payment of council tax

should be directed to the local authority of the area where the property is located.

The operational instructions we follow when dealing with annexes can be found at: www.voa.gov.uk
Log on and follow the path: Publications → Our Operational Instructions Online → Council Tax Manual → Practice Notes → Practice Note 5 (Disaggregation of Dwellings).

www.voa.gov.uk