



# Local Government Finance Act 1988

## 1988 CHAPTER 41

### PART I

#### COMMUNITY CHARGES

##### *Charges*

#### **1 The charges**

In accordance with this Part, each charging authority shall have rights and duties in respect of the following community charges—

- (a) personal community charges,
- (b) standard community charges, and
- (c) collective community charges.

#### **2 Persons subject to personal community charge**

- (1) A person is subject to a charging authority's personal community charge on any day if—
  - (a) he is an individual who is aged 18 or over on the day,
  - (b) he has his sole or main residence in the area of the authority at any time on the day, and
  - (c) he is not an exempt individual on the day.
- (2) Schedule 1 below shall have effect to determine whether a person is for the purposes of this section an exempt individual on a particular day.
- (3) In deciding whether a person has his sole or main residence in an area, the fact that he does not live in a building is irrelevant.
- (4) If a person's sole or main residence at a particular time consists of premises, and the premises are situated in the areas of two or more authorities, he shall be treated as

having his sole or main residence in the area in which the greater or greatest part of the premises is situated.

- (5) A person undertaking a full-time course of education and resident in England and Wales for the purpose of undertaking the course shall be treated as having his sole or main residence, on each day of the course, in the place where he is resident for the purpose of undertaking the course.
- (6) A person detained in legal custody (other than an individual for the time being exempt) is not to be treated as having his sole or main residence in the place where he is detained.

### **3 Persons subject to standard community charge**

- (1) A person is subject to a charging authority's standard community charge on any day if he has at any time on the day a freehold interest in the whole of a building, and the following conditions are fulfilled as regards the building throughout the day—
  - (a) it is situated in the authority's area,
  - (b) it is not the sole or main residence of an individual (construing sole or main residence in accordance with section 2 above),
  - (c) it is domestic property,
  - (d) it is not designated for the purposes of collective community charges of the authority,
  - (e) it is not divided into self-contained parts, and
  - (f) it is not subject (as a whole) to a single relevant leasehold interest.
- (2) A person is subject to a charging authority's standard community charge on any day if he has at any time on the day a relevant leasehold interest in the whole of a building, and the following conditions are fulfilled as regards the building throughout the day—
  - (a) the conditions mentioned in subsection (1)(a) to (e) above, and
  - (b) the condition that it is not subject (as a whole) to a single relevant leasehold interest inferior to his interest.
- (3) A person is subject to a charging authority's standard community charge on any day if he has at any time on the day a freehold interest in the whole of a self-contained part of a building, and the following conditions are fulfilled as regards the part throughout the day—
  - (a) the conditions mentioned in subsection (1)(a) to (d) above, and
  - (b) the condition that it is not subject (as a whole) to a single relevant leasehold interest.
- (4) A person is subject to a charging authority's standard community charge on any day if he has at any time on the day a relevant leasehold interest in the whole of a self-contained part of a building, and the following conditions are fulfilled as regards the part throughout the day—
  - (a) the conditions mentioned in subsection (1)(a) to (d) above, and
  - (b) the condition that it is not subject (as a whole) to a single relevant leasehold interest inferior to his interest.
- (5) A person is subject to a charging authority's standard community charge on any day if he is at any time on the day the owner of a caravan, and the following conditions are fulfilled as regards the caravan throughout the day—

- (a) the conditions mentioned in subsection (1)(a) and (b) above, and
- (b) the condition that it is stationed on land which is a protected site.

#### **4 Section 3: interpretation**

- (1) This section applies for the purposes of section 3 above.
- (2) “Interest” means a legal estate.
- (3) A relevant leasehold interest is an interest under a lease or underlease which was granted for a term of 6 months or more and conferred the right to exclusive possession throughout the term.
- (4) A building or self-contained part of a building is domestic property if it is used wholly for the purposes of living accommodation.
- (5) But a building or self-contained part of a building is not domestic property if it is wholly or mainly used in the course of a business for the provision to individuals whose sole or main residence is elsewhere of accommodation for short periods together with domestic or other services or other benefits or facilities.
- (6) In construing subsections (4) and (5) above, anything not in use shall be treated as domestic property if it appears that when next in use it will be domestic property.
- (7) The Secretary of State may by order amend, or substitute another definition for, any definition of domestic property for the time being effective for the purposes of section 3 above.
- (8) A self-contained part of a building is a part of a building used, or suitable for use, as a separate dwelling.
- (9) “Owner” in relation to a caravan—
  - (a) means, if it is subject to an agreement for hire-purchase or conditional sale, the person in possession under the agreement;
  - (b) means, if it is subject to a bill of sale or mortgage, the person entitled to the property in it apart from the bill or mortgage.
- (10) Land is a protected site at any time if it is at that time a protected site for the purposes of Part I of the Caravan Sites Act 1968.
- (11) Where a building is situated in the areas of two or more authorities, it and each part of it shall be treated as situated in the area in which the greater or greatest part of the building is situated; and where a caravan is situated in the areas of two or more authorities, it shall be treated as situated in the area in which the greater or greatest part of it is situated.

#### **5 Persons subject to collective community charge**

- (1) A person is subject to a charging authority’s collective community charge on any day if—
  - (a) he has on the day a qualifying interest in a dwelling situated in the authority’s area, and
  - (b) on the day the dwelling is a designated dwelling.

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*Status: This is the original version (as it was originally enacted).*

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- (2) For the purposes of this Part a dwelling is a designated dwelling on a particular day if it is a building, or part of a building, which on the day concerned is designated under this section.
- (3) The registration officer may designate all or part of a building for the purposes of a charging authority's collective community charges if at the time of designation—
  - (a) the building is situated in the authority's area,
  - (b) in his opinion the building or part is used wholly or mainly as the sole or main residence of individuals most or all of whom reside there for short periods and are not undertaking full-time courses of education,
  - (c) in his opinion it would probably be difficult to maintain the register in respect of, and collect payments in respect of personal community charges from, individuals who would be subject to such charges of the authority if the designation were not made, and
  - (d) the building does not fall within a description prescribed for the purposes of this paragraph by regulations made by the Secretary of State.
- (4) A registration officer who has designated a building or part may revoke the designation if at the time of revocation the conditions for designation in subsection (3) above are no longer satisfied.
- (5) A designation under this section shall take effect at the end of the period of 7 days beginning with the day on which it is made, and shall cease to have effect at the end of the day (if any) on which it is revoked.
- (6) A person has a qualifying interest in a designated dwelling on a particular day if at any time on the day—
  - (a) he has a freehold interest in the whole dwelling and it is not subject (as a whole) to a single leasehold interest, or
  - (b) he has an interest in the whole dwelling under a lease or underlease and it is not subject (as a whole) to a single inferior leasehold interest.
- (7) "Interest" means a legal estate.
- (8) Where a building is situated in the areas of two or more authorities, it and each part of it (whether or not designated) shall be treated as situated in the area in which the greater or greatest part of the building is situated.