



DEPARTMENT OF THE ENVIRONMENT
2 MARSHAM STREET LONDON SW1P 3EB
01-276 3000

My ref:

Your ref:

19 April 1990

D Colleague.

YOU AND THE COMMUNITY CHARGE: RENTS

- / I enclose a copy of the latest leaflet in the "You and the Community Charge" series issued by my Department. This is intended for tenants who have previously paid a rent which included an amount towards domestic rates. It explains, in outline, what happens to people in such circumstances following the introduction of the community charge.

If you would like more copies to pass on to your constituents who are in this position and require further information, they are available from Sylvester Ijiti in Room P1/165 at the above address.

A handwritten signature in blue ink, appearing to read 'Christopher Chope'.

CHRISTOPHER CHOPE

YOU

AND THE

COMMUNITY

CHARGE:

RENTS



INTRODUCTION

From 1 April 1990, domestic rates are abolished and replaced by the community charge. This is a new way of helping to pay for the services which your local councils provide. The level of the community charge results from the spending decisions of the local authorities in each area, after allowing for help with spending from Government grants and business rates.

Almost all adults pay the community charge, although some are exempt. You can get a free leaflet on exemptions from the address at the end of this leaflet.

Up to 1 April 1990, if you are a tenant, you may have paid a rent which included an amount towards the domestic rates for your home. We have prepared this leaflet to explain in outline what happens, in these circumstances, with the introduction of the community charge.

All references to rates are to *domestic* rates, not business rates.

Although the leaflet is written from the point of view of a tenant, landlords may find it useful too.

What happens if I am a council tenant?

If your tenancy agreement states that you have to pay to your landlord a specified amount for

rates (as distinct from rent), then you are not obliged to pay that amount from 1 April 1990.

Your council stops collecting rates from you after 31 March 1990 (unless of course you still owe outstanding amounts).

However, you almost certainly have to pay a personal community charge. You will get separate bills, one for rent and one for the community charge. Your council may ask you to pay community charge instalments at the same time as you make your rent payments either separately or with your rent payments. But you have the right to pay the charge in ten instalments, if you want to.

Of course, as a quite separate matter, your council may have decided to increase your rent from 1 April 1990. This may offset, in whole or in part, any reduction which would otherwise have occurred as a result of the abolition of rates.

If you are getting housing benefit, any help included in it towards your rates stops from 1 April 1990, because the council is no longer charging you rates from that date.

What happens if I am a tenant of a housing association or of a private landlord and my tenancy agreement states that it includes a specific amount towards rates?

If your tenancy agreement states that you have to pay to your landlord a specified amount for rates (as distinct from rent), then you are not obliged to pay that amount from 1 April 1990 (unless of course you owe outstanding amounts).

However, you almost certainly have to pay a personal community charge. The council sends you a bill for the charge and you have to pay it direct to the council. You have the right to pay in ten instalments if you want to.

If your landlord has sought an increase in rent from 1 April 1990, any such increase may offset, in whole or part, any reduction which would otherwise have occurred as a result of the abolition of rates.

If you are getting housing benefit, the council needs to recalculate your benefit from 1 April 1990, basing that calculation on the total amount payable to your landlord. You should tell your local authority housing benefit office if the total amount you have to pay your landlord changes on 1 April.

What happens if my tenancy agreement does not include a specific reference to an amount towards rates?

What happens depends on what sort of tenancy agreement you have.

If you are a private tenant, or housing association tenant, and you pay a *fair rent* which a rent officer has registered, your rent does not include an amount for rates. *In that case you need take no action in respect of your tenancy agreement.* If you have been making an *additional* payment for rates for your landlord to pass on to the council, or have been paying rates direct to your council, you can stop doing so on 1 April 1990 (unless of course you still owe outstanding amounts).

If you are getting housing benefit, any help included in it towards your rates also stops from 1 April 1990.

But you may not have a registered fair rent. And your rent agreement may not *specifically* refer to an amount towards rates, but your landlord may have been using part of your rent to pay the rates on your home. So you need to consider what sort of tenancy you have. The rest of this section discusses various possibilities.

Regulated tenancies and housing association tenancies

You may have a *regulated tenancy* or *housing association tenancy* under the Rent Act 1977, particularly if the agreement was made before 15 January 1989. In that case you can, if you wish, ask your local rent officer to register a fair rent. A registered fair rent will not include an amount for rates. You may not need to do this, however, if you and your landlord can come to an agreement about a new rent following the ending of rates. (You can get your local rent officer's address from a 'phone book or from your local council. If you want more details on the fair rent system you can get Housing Booklet 25, called *Regulated Tenancies*, from the Department of the Environment (Room N11/11), at 2 Marsham Street, London SW1P 3EB.)

Assured tenancies and assured shorthold tenancies

You may have an *assured tenancy* or an *assured shorthold tenancy* under the Housing Act 1988. This will probably be the case if your agreement was made after 14 January 1989. In such cases you can see if your landlord would agree to an appropriate rent reduction.

If you have a periodic assured tenancy (eg. a tenancy which runs

from month to month) and your landlord tells you formally that your rent is going up (that is, serves you a statutory notice of increase in rent), you may refer that notice to a rent assessment committee. They will set a market rent which will not include any amount for rates.

If you have an assured shorthold tenancy you may apply to a rent assessment committee during the initial fixed period, specified in the agreement, for a market rent to be set. The committee can set a rent in certain specified circumstances and, if they do so, the rent will not include any amount for rates. By law you can only make one application to the committee under the shorthold procedure. (You can get your local rent assessment committee's address from the 'phone book or your local council's housing section. Procedures for setting rents for assured tenancies are explained in the Department of the Environment's free Housing Booklet 19, *Assured Tenancies*, available from the address above.)

Other letting agreements

You may find that your tenancy is not a regulated tenancy or housing association tenancy under the Rent Act 1977, nor an assured or assured shorthold tenancy under the Housing Act 1988. Or you may occupy your home under a licence rather than a tenancy. In such cases, if the agreement states that you

have to pay to your landlord a specified amount for rates (as distinct from rent), then you may not have to pay that amount from 1 April 1990 (unless of course you still owe outstanding amounts). You may wish to seek advice from a citizens' advice bureau, a housing advice centre or a solicitor. (Help with all or part of the cost of legal advice may be available under the Legal Aid Scheme. A solicitor can give you details.) If your payment includes an amount towards rates which is *not* specified, you can see if your landlord would agree an appropriate reduction.

So what should I do next?

If you are not sure whether you have a licence or a tenancy or what they cover, or if you cannot agree a reduction with your landlord and your agreement is not one you can refer to a rent officer or a rent assessment committee, then you may like to seek advice from a citizens' advice bureau, housing advice centre or solicitor, on whether the terms of your tenancy agreement entitle you to a reduction. (Help with all or part of the cost of legal advice may be available under the Legal Aid Scheme. A solicitor can give you details.)

If you have one of the sorts of tenancy or agreement described above which includes an *unspecified* amount for rates and if you are

getting housing benefit and your current award of housing benefit started before 1 April 1990, your benefit will have been calculated on the assumption that part of your rent is to meet rates, and the council therefore needs to recalculate your benefit from 1 April 1990 (basing that calculation on the total amount payable to your landlord). You should tell your local authority housing benefit office if the total amount you have to pay your landlord changes on 1 April.

Whatever sort of tenancy or agreement you have, if you are not getting housing benefit at the moment, and your rent did not go down on 1 April 1990, you may be able to get some help with your rent from housing benefit from then on. Whether you are entitled to help depends on your income and savings, the amount of your rent, and whether you have any non-dependants living with you. If you want to apply for housing benefit you should ask for a claim form from your local authority housing benefit office.

What if I am about to enter into a new tenancy?

If you are thinking of entering into a tenancy agreement, it is in your own interest to make sure that the agreement is quite clear that the rent does not include an amount towards rates after 31 March 1990.

A TENANT DOES NOT HAVE TO PAY ANYTHING TOWARDS DOMESTIC RATES IN A NEW TENANCY AGREEMENT MADE AFTER 31 MARCH 1990.

What if I stay in a bedsit or a hostel?

If you stay in certain communal hostels, such as those run by the Salvation Army, you will be exempt from the community charge in respect of your stay there.

If you live in a bedsit, or other places where people usually stay for a *short* time only, you may not have to pay the personal community charge. Instead, you may have to pay collective community charge contributions to the landlord, who will pass them to the council. This happens if the property has been specifically designated (in other words, selected) for the *collective community charge*.

How much you have to pay depends on the level of the personal community charge your local council sets, and how long you stay in the premises concerned. It will normally be 1/365th of the annual charge for each day you stay there.

You can find out whether the property has been designated by asking to see the 'list of designated dwellings' at the local

council offices. If you live in a designated dwelling your landlord has to tell you this by law, and to tell you how much you have to pay towards the community charge. You can check this amount with the council. If the building is designated you will usually have to pay the contribution with your rent. You can get a free leaflet on the collective community charge from the address at the end of this leaflet.

Community charge benefit

Many people on low incomes are able to get community charge benefit to help with paying their personal community charge or collective community charge contributions.

Everyone who has to pay such a charge and is on income support can get the maximum amount of community charge benefit – 80 per cent of the charge they have to pay. People on housing benefit but not income support may get community charge benefit as well on a sliding scale up to and including the 80 per cent maximum. Many other people on a low income are able to get benefit too. Check your community charge bill to see if your council has given you community charge benefit automatically. If not, and you think that you may be entitled to it, get a claim form from your council.

FURTHER INFORMATION

This leaflet is intended to give a helpful outline but it should not be regarded as a complete guide to the relevant legislation. In addition, the precise legal position in individual cases will depend on the detailed wording of the tenancy agreement concerned. If you are in doubt about your particular case you may wish to seek advice from a citizens' advice bureau, housing advice centre, or solicitor.

Free housing booklets on legislation concerning tenancies are available by writing to Room N11/11, Department of the Environment, 2 Marsham Street, London SW1P 3EB.

If you have further questions about the community charge, please write to FLT Division, Room N6/20, Department of the Environment, 2 Marsham Street, London SW1P 3EB.

If you want further leaflets, please tick the boxes you want, fill in your name and address and send the coupon to:
Community Charge Leaflets, PO Box No 590, London SE5 7EG.

Exemptions to the Community Charge	<input type="checkbox"/>
Reductions	<input type="checkbox"/>
Students and the Community Charge.....	<input type="checkbox"/>
The Community Charge and Second Homes.....	<input type="checkbox"/>
The Collective Community Charge.....	<input type="checkbox"/>
The Appeal System	<input type="checkbox"/>
Rents	<input type="checkbox"/>
The New Business Rate	<input type="checkbox"/>
<i>There is also a free booklet giving details on the whole of the community charge:</i>	
You and the Community Charge.....	<input type="checkbox"/>
Name.....	_____
Address.....	_____
County.....	_____
Post Code.....	_____