



**OFFICE OF THE
DEPUTY PRIME MINISTER**

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COUNCIL TAX INFORMATION LETTER 6/2003

This is Council Tax Information Letter 6/2003. The topics covered in this letter are:

- **Local Government Act 2003**
- **Council tax discounts for pensioners**
- **Council Tax Bills and e-billing**
- **Sandwell Judgment**
- **Residential Care Homes and Council Tax**
- **IRRV Conference, Bournemouth: 14 – 17 October 2003**
- **Staff Changes**

Local Government Act 2003

The Local Government Bill received Royal Assent on 18 September and all the primary powers on council tax, except section 83, will come into effect automatically on 18 November. Section 83 (making combined fire authorities preceptors) will be brought into force by commencement order and it is intended this will be done so as to allow the new arrangements to take effect for 2004/05. The consultation exercise on council tax secondary legislation which started last month continues until 29 October and we are still aiming to implement all the changes relating to council tax (other than revaluation) for 2004/05.

Council tax discounts for pensioners

Contrary to recent media reports, the Government has not "approved" the proposal by Kent County Council to offer discounts to pensioners paid for by other council tax payers. We are aware of no power for a county council to offer local discounts but if billing authorities (ie district councils, London boroughs) choose to offer such a discount they will soon be able to do so. This does not require specific government approval because the

new power to create local discounts (section 76 of the Local Government Act 2003 which inserts new section 13A into the Local Government Finance Act 1992) comes into force automatically on 18 November 2003.

Sandwell Judgement

We have been asked by a number of authorities whether we intend to change the regulations in the light of the decision given on 8th July, in the High Court case *R (Sandwell MBC) v Perks and the West Midlands (West) Valuation Tribunal [2003] EWHC 1749 Admin* concerning disabled band reduction for council tax. We have no plans to change the regulations as a result of the decision.

If billing authorities wish to give discounts in circumstances outside the parameters set by the High Court judgement, they can consider using the new power to create locally defined discounts which will be available from 18 November. The power can be exercised in an individual case, for example because of hardship, or for a particular class of council taxpayer such as people with disabilities.

Residential Care Homes and Council Tax

The consultation period has now ended and the responses have been analysed. A summary of the responses will be published on the ODPM website shortly. We hope to be able to make the actual regulations in the next few weeks.

Council Tax Bills and E-billing

The Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 (SI 2003/2613) and The Council Tax and Non-Domestic Rating (Electronic Communications) (England) Order 2003 (SI 2003/2604) come in to force on 5 November.

The demand notice regulations include provision for billing authorities to provide statements as to their estimated expenditure on services and their budget requirement, reasons as to why estimated expenditure and their budget requirement has gone up or down compared to the previous year and a statement explaining the effect of the budget requirement and estimated expenditure on the level of council tax. precepting authorities must provided similar statements on their budgets and services etc to the billing authority.

The consultation exercise on implementing the council tax provisions in the Local Government Act 2003 includes proposals in relation to demand notices. We aim to make amending regulations as soon as we can after the are available on 18 November.

The E-billing Order (SI 2003/2604) allows billing authorities to serve both council tax and non-domestic rate demand notices electronically. The demand notices can either be served as an attachment to an e-mail or via a secure website. However, this can only be done where the tax or ratepayer has agreed to this form of service and has provided an e-mail address.

The regulations do not give a council tax payer or ratepayer the right to have their demand notice served electronically nor do they compel local authorities to use this method of service. The regulations merely enable the billing authority to use electronic delivery for service, if it wants to, where the taxpayer has agreed and provided an email address for that purpose.

IRRV Conference, Bournemouth: 14 – 17 October 2003

The IRRV conference is about to start one of the Office's Ministers, Phil Hope will be speaking on the first day of the conference. There will also be a question and answer session which on the morning of Thursday 16th in the main conference hall. This will be an opportunity to discuss local taxation matters with us.

Do please come and see us on Stand 63 in the exhibition area during the week if you want to discuss anything to do with council tax or non-domestic rates.

Staff Changes

Andrew Allberry took over as Head of the Taxation Valuation and General Policy Division on 15 September.

Ronnie Gasper has joined the council tax policy team from the Driving Standards Agency as a replacement for Barbara Paterson who has moved on to a different post within the Local Government Finance directorate.

Contact

If you have any enquiries about anything in this letter, please contact Rai Tind on 020 7944 4187 or Brian Entwistle on 020 7944 4186 or fax to 020 7944 4179. Email: council.tax@odpm.gsi.gov.uk



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