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LOCAL GOVERNMENT TAXATION
DEPARTMENT OF THE ENVIRONMENT
TRANSPORT AND THE REGIONS

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OUR REF: **CTIL15**

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Dear Chief Finance Officer

This is the fifteenth council tax information letter. The issues covered in this letter are:

New council tax regulations: enforcement and levying of distress, discounts and exemptions (care workers, apprentices and dependant relatives for exempt Class W)

Carers entitlement to discount: MENCAP survey

Changes to council tax branch.

The Council Tax (Administration and Enforcement) (Amendment) Regulations 1998; The Council Tax (Exempt Dwellings and Discount Disregards) (Amendment) Order 1998; The Council Tax (Discount Disregards) (Amendment) Regulations 1998

CTIL 14 included drafts of the above regulations and order. Final regulations were laid before the Houses of Parliament on 19 February. The amendments will come into effect on 1 April, with the exception of the changes to attachment of earnings and certification of bailiffs, which will come into effect on 1 October.

You may wish to be aware that members of the Opposition have prayed against both sets of regulations and the order requesting they be annulled. As a result it will be for the House of Commons to decide whether there should be a debate and vote on the regulations and order. In the interim the regulations and order will still take effect as previously described, unless a vote against them is successful. We will provide advice on the outcome of this action in due course.

With a few minor exceptions, which are described below, the regulations and order are unchanged from the drafts circulated with CTIL14.

Liability orders: issue of summons

The final regulations require that no liability order shall be made in pursuance of a summons unless 14 days have elapsed since the day on which the summons was served rather than issued.

Information preliminary to distress

In the light of comments received that the outstanding balance at the time of levying distress may be different to the amount in respect of which the liability order was made, the final regulations will require that the information sent to debtors prior to the levy of distress to state the liability order amount and, if different, the outstanding balance.

Charges in connection with distress

It was drawn to our attention that in the draft regulations the fee for levying distress for debts below £100 was increased to £20, but the sliding scale of fees that applies to debts over £100 was not amended. The regulations now amend paragraph 2(1)(b) of Schedule 5 to substitute 20% for 15%.

Exempt class W: definition of a relative

It was also drawn to our attention that the list of prescribed relatives in the draft order did not include a nephew or niece. The final order includes both nephew and niece.

In addition, we have received queries on few aspects of the regulations relating to enforcement, on which advice is given below.

Liability orders: issue of summons

With regard to the provisions requiring a summons to be served at least 14 days before a liability order can be made, we were also asked whether similar provisions apply to committal orders. They do not.

Attachment of earnings

The intention of the regulations will be that the revised salary bands will only apply to AEOs made on or after 1 October 1998. The new rates will not apply to existing AEOs. On the limiting of the number of AEOs actionable by a local authority in respect of a debtor to two, again this provision will only apply to AEOs made on or after 1 October 1998. If a debtor is subject to more than two AEOs prior to that date, those AEOs will continue to have effect. However, after 1 October an authority would not be able to action any further AEOs in respect of that debtor if the effect of the new AEO would be that the number of AEOs in force made by that authority exceeds two. This proposal only applies to council tax AEOs. The

restriction will not apply to any other AEOs, such as county court or community charge AEOs that a local authority may have outstanding against a debtor.

Comments/Enquiries

Enquiries about the amendments to the Administration and Enforcement Regulations should be addressed to Jeremy Ketley on 0171-890- 4206. Enquiries about the amendments to exempt Class W and to the apprentices and care workers disregards should be addressed to Tom Maunsell on 0171- 890- 4187.

Discount entitlement of carers

On 23 February MENCAP published a report about the take up of the carers discount which suggested that many local authorities are determining applications for a carer discount incorrectly.

MENCAP sampled the response of 100 local authorities to the same query: the discount entitlement of a household in which the mother and father both provided in excess of 35 hours care per week to their 37 year old daughter who lived with them, had a severe mental impairment and received the highest rate of the Disability Living Allowance care component. In the Department's opinion the correct discount entitlement is 50%. The daughter is disregarded because she has a severe mental impairment, whilst both parents meet the requirements to be disregarded as a carer. The regulations do not limit the number of people who may be disregarded because they are providing care to another resident in the dwelling.

Changes to council tax branch

Yet more changes are afoot. Tony Capp has now moved on to work on business rates, whilst I am leaving the civil service. Tony's post will not be filled. A replacement as Head of Branch will be made in due course. In the interim council tax queries should be addressed to Jeremy Ketley (0171-890-4206), Joe Ismail (0171-890-4186) or Tom Maunsell (0171-890-4187).

ANN BLACKMORE