

CTIL 5

29 April 1996

Dear Chief Finance Officer

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

- Consultation on draft order to contract out revenue collection
- Amendments to council tax discount disregards regulations
- Intercalating students
- Release of council tax valuation lists
- New council tax leaflets
- Staff changes in FLT

CONSULTATION PAPER: CONTRACTING OUT OF LOCAL AUTHORITY TAX BILLING COLLECTION AND ENFORCEMENT FUNCTIONS

This consultation paper was issued on 9 April. It invites comments on a draft order to be made under section 70 of the Deregulation and Contracting Out Act 1994, which would enable local authorities to contract out the administration and enforcement of council tax, community charge and national non-domestic rates.

The consultation paper and draft order have been sent to the Institute of Revenues, Rating and Valuation, the Chartered Institute of Public Finance Accountants, companies with a known interest in council tax, community charge and national non-domestic rates provision, and to other interested groups.

A copy of the consultation paper is attached. Copies of the draft order are available on request by telephoning 0171-276-0539. Any other enquiries should be addressed to Tony Capp on 0171-276-3125.

AMENDMENTS TO COUNCIL TAX DISCOUNT DISREGARD REGULATIONS

Statutory Instruments 1996/636, the Council Tax (Discount Disregards) Amendment Order 1996, and 1996/637, the Council Tax (Additional Provisions for Discount Disregards) Amendment Regulations 1996, were laid before Parliament on 8 March 1996 and came into force on 1 April 1996. Copies have been sent to all local authorities. These Statutory Instruments make a number of minor amendments to council tax discount disregards.

i) changes to the qualifying benefits for people with a severe mental impairment

From 13 April 1995 incapacity benefit replaced invalidity pension as one of the qualifying benefits a person who is severely mentally impaired must be in receipt of in order to be discounted from council tax. A person loses entitlement to incapacity benefit when they reach retirement age.

SI 1996/636 amends the list of qualifying benefits to include people who would be entitled to incapacity benefit had they not reached pensionable age.

SI 1996/636 also amends the list of qualifying benefits to include an incapacity benefit under sections 40 and 41 of the Social Security (Contributions and Benefits) Act 1992. Sections 40 and 41 provide special provisions for widows and widowers who do not qualify for incapacity benefit as a result of their own contributions.

ii) student disregards and exemptions: definition of a full time course of education

The definition of a full-time course of education is contained in Schedule 1 Part II of Statutory Instrument 1992/548. This has been amended by SI 1996/636 in order to clarify the definition of the relevant period of a course. In our opinion the amendment does not change the meaning of the regulation.

iii) carers

SI 1996/637 amends the requirement that in order to receive a carer discount the person receiving care must be in receipt of the highest rate of the qualifying benefits to a requirement that they are entitled to such benefits. This change has been made to ensure that, where a person in receipt of income support is placed in a care home, or enters hospital temporarily but for more than six weeks, and thus retains an entitlement to attendance allowance or disability living allowance does not receive it, a person caring for them will continue to be entitled to a disregard.

Further enquiries on these amendments should be addressed to Ann Blackmore on 0171-276-4769.

INTERCALATING STUDENTS

Full time students are entitled to council tax discounts and exemptions to take account of the fact that most students are not entitled to council tax benefit. Last August the Department of Social Security amended council tax benefit regulations to ensure that students who are intercalating continue to be classified as students for benefit purposes. There has been some concern that such students may not currently fall within the definition of student for council tax purposes. In our view a period of intercalation will remain within the period of a course (the amendment in

Statutory Instrument 1996/636 described above helps to clarify this) and therefore, provided that the person remains enrolled at the educational establishment, they will continue to fall within the definition of a full-time student.

Further enquiries on this matter should be addressed to Ann Blackmore on 0171-276-4769.

RELEASE OF COUNCIL TAX VALUATION LISTS

We have heard suggestions that some ex-public utilities and other private companies have asked for, and are claiming to have been given, extracts from local authorities' council tax lists. Section 28 of the Local Government Finance Act 1992 makes provision for the inspection of information on the list and for copies to be made at a reasonable charge, but only to enable a person to establish the state of the list. Local authorities do not have the power to supply information, such as the contents of valuation lists, for a purpose not relating to council tax. Furthermore, Ministers made an undertaking during the passage of the 1992 Act through Parliament that personal information contained in valuation lists should not be sold or released to private companies.

Further enquiries should be addressed to Tony Anderson on 0171-276-3095.

COUNCIL TAX LEAFLETS

The council tax leaflets have now been revised and consolidated. The two new leaflets, "Council tax: a guide to your bill" and "Council tax: a guide to valuation, banding and appeals", were published in April. Copies of these have been provided to all local authorities.

Requests for further copies of the leaflets should be addressed to Barbara Paterson on 0171-276-3124.

STAFF CHANGES IN FINANCE LOCAL TAXATION DIVISION

After long and distinguished careers in FLT both Stephen Lowe and Frank Arrojo have moved on. Successors have not yet been appointed. However the remainder of the office will continue to deal with enquiries on liability, discounts and exemptions on 0171-276-0512 and with attachment of earnings orders on 0171-276-3023.

ANN BLACKMORE
Finance Local Taxation Division