

SCHEDULE 1

COUNCIL TAX AND COUNCIL WATER CHARGE INSTALMENTS

PART II

CESSATION AND ADJUSTMENT OF INSTALMENTS

5.—(1) This paragraph applies where—

- (a) a demand notice has been served on a liable person by a levying authority;
- (b) the notice requires instalments to be paid in accordance with Part I of this Schedule; and
- (c) after the issue of the notice, but before the date on which the final instalment under it is payable, it comes to the attention of the authority that the person has ceased to be the liable person in respect of the dwelling and the period to which the notice relates.

(2) Subject to sub-paragraph (5), no payments of instalments falling due after the relevant day shall be payable under the notice.

(3) The levying authority shall, as soon as practicable after they are satisfied that this paragraph applies in a particular case, serve a notice on the liable person stating the amount of his liability in respect of the council tax and the council water charge to which the demand notice relates as it has effect for the period in the relevant year up to the date on which he ceased to be so liable.

(4) If the amount stated under sub-paragraph (3) is less than the aggregate amount of any instalments which have fallen due on or before the relevant day, the difference shall go in the first instance to discharge any liability to pay the instalments (to the extent that they remain unpaid); and any residual overpayment shall, to the extent that it exceeds any other outstanding liability of the liable person to the levying authority in respect of council tax or the council water charge—

- (a) be repaid to him if he so requires, or
- (b) in any other case (as the levying authority determine) either be repaid to him or credited against any subsequent liability of his to make a payment in respect of any council tax or council water charge to the authority.

(5) If the amount stated under sub-paragraph (3) is greater than the aggregate amount of any instalments which have fallen due on or before the relevant day, the difference between the two shall be due from the liable person to the levying authority on the expiry of such period (being not less than 14 days) after the relevant day as is specified in the notice issued under sub-paragraph (3).

(6) In this paragraph “the relevant day” means the day on which the notice referred to in sub-paragraph (3) is issued.

6.—(1) This paragraph applies where—

- (a) a demand notice has been served on a liable person by a levying authority;
- (b) the notice requires instalments to be paid in accordance with Part I of this Schedule;
- (c) after the issue of the notice, but before the date on which the final instalment under it is payable, it comes to the attention of the authority that one or more of the events specified in sub-paragraph (2) has occurred; and
- (d) the person on whom the demand notice was served remains the liable person in respect of the dwelling and the period to which the notice relates.

(2) The events specified in this sub-paragraph are that—

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- (a) the demand notice was served by reference to an amount set by the levying authority for the relevant year and, after the issue of the notice, the authority have set a different amount in substitution for that amount under section 94 of the Act, or have set, or are deemed to have set, a reduced amount under paragraph 3 of Schedule 7 to the Act;
 - (b) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the dwelling concerned would be or was a chargeable dwelling and the dwelling was not or has ceased to be a chargeable dwelling as regards any such day;
 - (c) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the dwelling concerned would be or was in a particular valuation band and the dwelling was not or has ceased to be in that band as regards any day in that period;
 - (d) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the person would be or was entitled to a discount and he was not or has ceased to be so entitled or was or is entitled to a discount of a smaller amount than had been assumed;
 - (e) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the person was not or would not be entitled to a discount and he was or is so entitled;
 - (f) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the person was or would be liable to pay an amount in respect of council tax or the council water charge and he was or is, by virtue of regulations made under section 80 of the Act, liable to pay a greater or lesser amount than the amount stated in the notice;
 - (g) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the person was or would be entitled to a reduction in the amount he is liable to pay in respect of council tax under regulations made under section 138(1) of the Social Security Administration Act 1992, and he was or is allowed a larger or smaller reduction than had been so assumed;
 - (h) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the dwelling concerned was an exempt dwelling and the dwelling was not an exempt dwelling as regards any such day;
 - (i) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, the qualifying conditions mentioned in paragraph 8 of Schedule 11 to the Act were or would be met in respect of the dwelling concerned and those conditions were not or have ceased to be met;
 - (j) the demand notice was served on the assumption that, as regards any day in the period to which the notice relates, those qualifying conditions were not or would not be met in respect of the dwelling concerned and those conditions were or are now met.
- (3) The levying authority shall, as soon as practicable after they are satisfied that this paragraph applies in a particular case—
- (a) adjust any instalments payable on or after the adjustment day (“the remaining instalments”) in accordance with sub-paragraph (5); and
 - (b) serve a notice on the liable person which is to state—
 - (i) the revised amount; and
 - (ii) the amount of any remaining instalments.
- (4) The revised amount is the revised estimate of the levying authority of the amount that the person is liable to pay in respect of council tax and the council water charge for the relevant year,

made on the assumptions mentioned in paragraph (3) of regulation 20 and as if the notice mentioned in that provision were the notice referred to in sub-paragraph (3) above.

- (5) The aggregate amount of the remaining instalments payable shall be equal to the total of—
- (a) the amount by which the revised amount exceeds the aggregate amount of the instalments payable under the demand notice before the adjustment day; and
 - (b) any amount which the levying authority decide to add to the remaining instalments in terms of sub-paragraph (6);

and the amount of each remaining instalment (if there are more than one) shall be such as the levying authority may determine.

(6) Where at the date of issue of the notice referred to in sub-paragraph (3)(b) there remains unpaid any sum in respect of an instalment or instalments payable under the demand notice before the adjustment day, the levying authority may decide to add all or part of that sum to the remaining instalments, and any sum so added shall subsequently be treated for all purposes of these Regulations as being payable as part of the remaining instalments.

(7) If the revised amount is less than the aggregate amount of the instalments payable before the adjustment day, any overpayment shall, to the extent that it exceeds any other outstanding liability of the liable person to the levying authority in respect of council tax or the council water charge—

- (a) be repaid to him if he so requires; or
- (b) in any other case (as the levying authority determine) either be repaid to him or credited against any subsequent liability of his to make a payment in respect of any council tax or council water charge to the authority.

(8) More than one adjustment of amounts paid or payable under a demand notice may be made under this paragraph as the circumstances require.

(9) Where a notice has been given under sub-paragraph (3), in the operation of this paragraph as respects any further notice that may fall to be given under it, references in this paragraph to the demand notice and to amounts in respect of instalments payable under it shall be construed (so far as the context permits) as references to the notice, and amounts in respect of instalments payable under the notice, as from time to time previously served or adjusted under this paragraph.

- (10) In this paragraph—
- “the adjustment day” means the day 14 days after the day of issue of the notice under sub-paragraph (3); and
 - “the revised amount” has the meaning assigned to it in sub-paragraph (4).