
STATUTORY INSTRUMENTS

1996 No. 1880

**The Local Authorities (Contracting Out of Tax Billing,
Collection and Enforcement Functions) Order 1996**

PART II

COUNCIL TAX: CONTRACTING OUT

Interpretation of Part

2.—(1) In Parts II and III of this Order—

“the Act” means the Local Government Finance Act 1992⁽¹⁾;

“authority” means a local authority which is a billing authority for the purposes of Part I of the Act;

“the Regulations” means the Council Tax (Administration and Enforcement) Regulations 1992⁽²⁾, and any reference to a regulation is to be construed as a reference to a regulation of those regulations; and

“the Schedule” means Schedule 1 to the Regulations.

(2) Subject to any provision to the contrary made in this Order—

(a) the expressions “chargeable amount”, “demand notice”, “joint taxpayers”, “liable person” and “Part II scheme” have the same meanings in Parts II and III of this Order as in Part V of the Regulations;

(b) the expressions “debtor” and “liability order” have the same meanings in Parts II and III of this Order as in Part IV of the Regulations; and

(c) any other expressions used in Part II or Part III of this Order which are also used in the Regulations have the same meaning as they have in the Regulations.

Functions of local authorities

3. The functions of an authority conferred by or under the Act and the Regulations in relation to the administration and enforcement of council tax may, to the extent provided for in this Part and subject to the provisions of Part VIII and article 73 of this Order, be exercised by, or by the employees of, such person (if any) as may be authorised to exercise them by the authority whose functions they are.

(1) 1992 c. 14.

(2) S.I. 1992/613; relevant amendments have been made by S.I. 1992/3008. There are other amendments which are not relevant to this Order.

Notices

4. Where under an authorisation given by virtue of this Part a contractor is authorised to serve any notice which is required or authorised by the Regulations to be served on any person, the contractor may also be authorised—

- (a) subject to articles 64, 65 and 66, to determine the form and the manner of service of the notice in question;
- (b) to determine any period which is required or authorised by the Regulations to be specified in the notice; and
- (c) where the notice requires the person on whom the notice is served to make a payment, to accept any amount paid in compliance with the notice.

Information about properties

5.—(1) In this article, “listing officer” means the person appointed for an authority in accordance with section 20 of the Act (listing officers).

(2) An authority may authorise a contractor to exercise the functions of—

- (a) supplying any information which relates to property and is requested in a notice served under section 27(1) of the Act (information about properties); and
- (b) determining whether, in the course of the exercise of any functions of the authority, any information coming to the notice of the contractor would assist a listing officer in carrying out any of his functions, and supplying such information to the listing officer in compliance with section 27(6) of the Act.

Information from residents, etc.

6. An authority may authorise a contractor to exercise the functions of—

- (a) requesting the person who appears to be the resident, owner or managing agent of a particular dwelling to supply information for the purposes of identifying the person who is liable to pay council tax in relation to the dwelling;
- (b) specifying in the request the form in which the information is to be supplied; and
- (c) identifying the person who is, or is in its opinion, liable (whether solely or jointly and severally) to pay council tax in relation to the dwelling.

Information from public bodies

7. For the purpose of carrying out its functions under Part I of the Act (Council Tax: England and Wales), an authority may authorise a contractor to request any public body or public officer mentioned in regulation 4 to supply information in accordance with that regulation.

Inquiries as to dwellings

8. An authority may authorise a contractor as regards each financial year commencing with the financial year beginning on 1st April 1993, to take such steps as the contractor considers reasonable to ascertain whether any dwellings in the authority’s area will be or were exempt dwellings for any period during the year.

Assumptions as to dwellings

9. An authority may authorise a contractor who is authorised to take such steps as are mentioned in article 8 to exercise the functions of—

- (a) determining whether there is reason to believe that a particular dwelling will be or was an exempt dwelling for any period in a financial year; and
- (b) making the assumption that the dwelling will be or was either a chargeable dwelling or an exempt dwelling for the period in question.

Notification of assumption and billing particulars

- 10.** An authority may authorise a contractor to exercise the functions—
- (a) of giving notice of an assumption made as mentioned in article 9(b);
 - (b) of preparing and supplying with such notice a statement of the matters specified in regulation 10(3); and
 - (c) for the purpose of such statement, of making the assumption mentioned in regulation 10(4).

Information relating to exempt dwellings, etc.

- 11.—**(1) An authority may authorise a contractor to exercise the function of requesting the person who appears to be the resident, owner or managing agent of a particular dwelling to—
- (a) supply information for the purposes of identifying the person who, in respect of any period specified in the notice, is or will be liable to pay council tax in relation to the dwelling, or would be so liable if the dwelling were not or had not been an exempt dwelling; and
 - (b) supply the information in any form specified in the request.

Ascertaining entitlement to discounts

12.—(1) In this article and in article 13, the expression “chargeable amount” has the same meaning as in Part IV of the Regulations.

- (2) An authority may authorise a contractor for the purposes of calculating the chargeable amount in respect of any dwelling in the authority’s area to—
- (a) take such steps as the contractor considers reasonable to ascertain whether that amount is subject to any discount under section 11 of the Act (discounts) or, in the case of a dwelling in Wales, that section or section 12 of the Act (discounts: special provision for Wales), and if so, the amount of that discount;
 - (b) determine whether there is reason to believe that the chargeable amount in respect of a dwelling for the financial year in question is subject to a discount; and
 - (c) make the assumption that the chargeable amount either is or is not subject to a discount.

Ascertaining entitlement to reduced amounts

13. An authority may authorise a contractor for the purposes of calculating the chargeable amount in respect of any dwelling in the authority’s area to—

- (a) serve a notice on any person requesting information for the purpose of considering whether, by virtue of regulations under section 13 of the Act (reduced amounts), the person on whom the notice is served is liable to pay an amount in respect of council tax which is less than the amount it would be apart from those regulations; and
- (b) where information is supplied in response to such a notice, determine the amount, if any, by which the liability in respect of council tax of the person concerned is less than the amount it would be apart from those regulations.

Demand notices and council tax payments

14.—(1) In this article—

- (a) the expression “aggregate amount” has the same meaning as in Parts I and II of the Schedule; and
- (b) “liable person” means a person who is, or in the opinion of the authority or a contractor will be, solely liable to pay to the authority an amount in respect of council tax in respect of a particular dwelling and a day.

(2) For the purposes of Part V of the Regulations, an authority may authorise a contractor to identify the liable person or the joint taxpayers with respect to any dwelling and any day.

(3) An authority may authorise a contractor to prepare and serve demand notices and any notices required to be served under paragraph 9(6) of the Schedule, and where appropriate for these purposes to exercise the functions—

- (a) of estimating the chargeable amount on the assumptions referred to in regulation 20(3), and determine the amount, if any, by which that estimated amount exceeds any amount falling to be credited by the authority against the chargeable amount;
- (b) subject to article 67, of reaching agreement with a liable person or one or more of any joint taxpayers as to the manner of payment of the aggregate amount and as to provision for the cessation or adjustment of payments, the making of fresh estimates, and the treatment of any sums paid in accordance with Part I of the Schedule or a Part II scheme before the agreement was entered into;
- (c) of determining in accordance with Part I of the Schedule or in accordance with a Part II scheme the instalments by which the aggregate amount is required to be paid; and
- (d) where a demand notice is issued—
 - (i) during the financial year to which it relates and the liable person is not liable to pay an amount by way of council tax in respect of the day on which the notice is issued, or
 - (ii) after the end of the financial year to which the notice relates,
 of determining the amounts of instalments of the amount in question and the intervals at which, and days on which, the instalments are payable.

Cessation and adjustment of instalments

15. Subject to article 73, an authority may authorise a contractor to exercise the functions—

- (a) of determining whether, after the service of a demand notice, a person has ceased to be the liable person in respect of the dwelling and the period to which the notice relates;
- (b) of calculating the amount of that person’s liability in respect of the council tax to which the notice relates as it has effect for the period up to the day on which he ceased to be so liable, and preparing and serving on him a notice stating that amount;
- (c) where the amount stated in such a notice is less than the aggregate amount of the instalments paid before the day on which the person concerned ceased to be liable to pay council tax, of repaying the overpayment or crediting the overpayment against any subsequent liability of that person to make a payment in respect of council tax;
- (d) of determining whether by reason of any of the matters mentioned in paragraph 10(1) of the Schedule to revise an estimate in a demand notice of the amount in respect of council tax that a person is liable to pay;
- (e) of determining the amount of a revised estimate and adjusting the instalments, if any, payable with respect to that estimate on or after the day 14 days after the day of issue of the notice served as mentioned in paragraph (f) below (“the adjustment day”);

- (f) of preparing and serving on the person who is liable to pay the amount of the revised estimate a notice stating the amount of that estimate and the amount of any remaining instalment; and
- (g) of repaying any amount by which a revised estimate is less than the aggregate amount of the instalments payable before the adjustment day, or crediting the amount in question against any subsequent liability of that person to make a payment in respect of council tax.

Failure to pay instalments

16. An authority may authorise a contractor to exercise the function, where any instalment payable under a demand notice is not paid in accordance with Part I of the Schedule, or, as the case may be, a Part II scheme, of serving a reminder notice on the liable person concerned requiring him to pay the amount which is the aggregate of the instalments due and unpaid and stating the other matters required under regulation 23 to be stated in a reminder notice.

Payments: adjustments

17.—(1) In this article, the expressions “appropriate amount” and “estimated amount” have the same meanings as in regulation 24.

- (2) Subject to article 73, an authority may authorise a contractor to exercise the functions—
 - (a) of calculating the chargeable amount and the difference between that amount and the estimated amount;
 - (b) of preparing and serving a notice stating the chargeable amount;
 - (c) where the chargeable amount exceeds the estimated amount, of requiring the liable person to pay an additional sum equal to the difference, and where the chargeable amount is less than the estimated amount, of repaying any overpayment or crediting any overpayment against any subsequent liability of the liable person to make a payment in respect of council tax;
 - (d) of determining whether any factor or assumption by reference to which the estimated amount was calculated is shown to be false, and calculating the appropriate amount with a view to adjusting the liable person’s liability in respect of the estimated amount;
 - (e) of preparing and serving a notice stating the appropriate amount;
 - (f) where the appropriate amount is greater than the estimated amount, of requiring an interim payment from the liable person, and where the appropriate amount is less than the amount of the estimated amount paid, of making an interim payment to the liable person; and
 - (g) of requiring that the amount of any overpayment mentioned in sub-paragraph (c) above or the amount which would otherwise be paid to the liable person by way of an interim payment shall, instead of being repaid, be credited against the liable person’s liability to pay council tax in respect of a dwelling other than the dwelling to which the chargeable amount relates.

Joint taxpayers' notice

18.—(1) In this article, the expression “adjusted amount” has the same meaning as in regulation 28.

- (2) Subject to article 73, an authority may authorise a contractor to exercise the functions—
 - (a) of preparing and serving a notice (“a joint taxpayers' notice”) on a person who is one of joint taxpayers;

- (b) for the purposes of a joint taxpayers' notice, of determining and requiring payment of the adjusted amount;
- (c) where a joint taxpayers' notice is issued after the end of the financial year to which it relates or after the unpaid balance of the estimated amount has become due as mentioned in regulation 23(3) or (4), of requiring payment of the amount in question;
- (d) of determining the amounts of instalments of the amount specified in a joint taxpayers' notice and the intervals at which, and days on which, the instalments are payable;
- (e) subject to article 67, of reaching agreement with a person on whom a joint taxpayers' notice is served as to the manner of payment of the amount required to be paid under the notice, and as to provision for the cessation or adjustment of payments, the making of fresh estimates, and the treatment of any sums paid in accordance with Part I of the Schedule or a Part II scheme before the agreement was entered into;
- (f) of determining whether the amount required to be paid under a joint taxpayers' notice is incorrect, and serving a further notice on every person on whom an incorrect notice was served stating the revised sum required to be paid;
- (g) where the amount stated in such further notice is greater than the amount required to be paid under the joint taxpayers' notice, of determining the revised amount of each remaining instalment; and
- (h) where the amount stated in such further notice is less than the amount required to be paid under the joint taxpayers' notice, of repaying any overpayment or crediting any overpayment against any subsequent liability of the person concerned to make a payment in respect of council tax.

Collection of penalties

19.—(1) Where a penalty is payable by a person under any of sub-paragraphs (1) to (3) of paragraph 1 of Schedule 3 to the Act (Penalties), the authority concerned may authorise a contractor to exercise the functions—

- (a) where the person concerned is not one of joint taxpayers, of serving a notice on him requiring him to pay the penalty, or treating the penalty as if it were part of the amount that that person is or will be liable to pay in respect of council tax as regards any demand notice issued after the penalty is imposed; and
- (b) where the person concerned is one of joint taxpayers, of serving a notice on him requiring him to pay the penalty.

(2) Where such a penalty has been paid by a person and has been quashed under paragraph 1(6) of Schedule 3 to the Act or pursuant to the order of a valuation tribunal or the High Court, the authority concerned may authorise a contractor to exercise the functions of—

- (a) deducting the amount paid by that person from any other sum due from him to the authority under Part V of the Regulations; and
- (b) repaying any balance to him.

Demand notices: final adjustment

20. Subject to article 73, an authority may authorise a contractor to determine whether the circumstances specified in regulation 31(1) arise with respect to the liability of any person to pay council tax, and for the purposes of regulation 31 to exercise the functions of—

- (a) calculating the amount of a person's liability in respect of council tax for a financial year or part of a financial year and adjust the amounts required to be paid by that person;

- (b) preparing and serving a further notice stating the amount of such liability and the adjusted payments; and
- (c) repaying any overpayment, or crediting any overpayment against any subsequent liability of the person concerned to make a payment in respect of any council tax of the authority.

Executors and administrators—council tax

21.—(1) In this article—

- (a) a reference to a deceased person is a reference to a person who has died and, at any time before his death, was (or is alleged to have been) liable to pay a relevant amount; and
 - (b) “relevant amount” means either of the amounts mentioned in section 18(1)(a) and (b) of the Act (death of persons liable) or a penalty imposed under paragraph 1 of Schedule 3 to the Act.
- (2) An authority may authorise a contractor to exercise the functions of—
- (a) receiving any sum which the executor or administrator of a deceased person is liable to pay by virtue of regulations made under section 18 of the Act;
 - (b) giving to such an executor or administrator a notice requiring the payment of such a sum;
 - (c) paying to such an executor or administrator a sum paid by the deceased person before his death in excess of his liability to pay a relevant amount; and
 - (d) taking steps for the recovery of any sum from such an executor or administrator.

Liability orders

22. An authority may authorise a contractor to exercise the functions—

- (a) of preparing and serving on a person, or on any two or more persons jointly, against whom an application is to be made for a liability order a final notice stating every amount in respect of which the application is to be made;
- (b) subject to article 69, of applying to the magistrates court for a liability order against a person, or any two or more persons jointly;
- (c) where, after a summons has been issued directing a person to appear before the court to show why he has not paid a sum which is outstanding, that person pays or tenders an amount equal to the aggregate of the sum outstanding and costs reasonably incurred by the authority in connection with the application, of accepting the amount so paid or tendered and taking all steps necessary to ensure that the application is not proceeded with;
- (d) where the sum payable is paid after a liability order has been applied for but before it is made, of requesting the court to make the order in respect of the costs reasonably incurred by the authority in making the application; and
- (e) by notice in writing, of requesting a person against whom a liability order has been made to supply information which is relevant information for the purposes of regulation 36, and of receiving such information.

Attachment of earnings

23. Subject to article 70, an authority may authorise a contractor to exercise the functions—

- (a) of making an order under regulation 37 to secure the payment from a debtor of any outstanding sum which is or forms part of the amount in respect of which a liability order has been made;

- (b) of serving a copy of an attachment of earnings order on a person who appears to have the debtor in his employment, and on the debtor;
- (c) where the whole amount to which such an order relates has been paid, of giving notice of the fact to any person who appears to have the debtor in his employment and has been served with a copy of the order; and
- (d) of discharging an attachment of earnings order, and giving notice of the discharge to any person who appears to have the debtor in his employment and has been served with a copy of the order.

Attachment of allowances orders

- 24.** Subject to article 70, an authority may authorise a contractor to exercise the functions—
- (a) of making an order under regulation 44 to secure the payment from a debtor of any outstanding sum which is or forms part of the amount in respect of which a liability order has been made;
 - (b) of serving a copy of an attachment of allowances order on the local authority which appears to have the debtor as an elected member;
 - (c) where the whole amount to which such an order relates has been paid, of giving notice of the fact to the local authority which appears to have the debtor as an elected member and has been served with a copy of the order; and
 - (d) of discharging an attachment of allowances order, and giving notice of the discharge to the local authority which has been served with a copy of the order.

Distress

- 25.** Subject to article 70, an authority may authorise a contractor to exercise the functions—
- (a) of taking steps to levy by distress and sale of the debtor's goods the aggregate of any outstanding sum which is or forms part of the amount in respect of which a liability order has been made and a sum determined in accordance with Schedule 5 to the Regulations in respect of charges connected with the distress;
 - (b) where a liability order has been made against two or more persons jointly, of levying distress against any one or more of those persons; and
 - (c) where the amount mentioned in paragraph (a) above (including charges arising up to the time of the payment or tender) is paid or tendered before any goods are seized, or after goods have been seized in pursuance of the distress, but before sale of those goods, of accepting that amount and, where applicable, making the goods available for collection by the debtor.

Insolvency

- 26.** Subject to article 70, an authority may authorise a contractor for the purposes of collecting council tax to present to the court—
- (a) in respect of an amount equal to any outstanding sum which is or forms part of the amount for which a liability order has been made against a debtor who is an individual, a petition for a bankruptcy order to be made against the debtor under section 264 of the Insolvency Act 1986 (who may present a bankruptcy petition)(3); and
 - (b) in respect of an amount equal to any outstanding sum which is or forms part of the amount for which a liability order has been made against a debtor which is a company or an

(3) 1986 c. 45.

unregistered company, a petition for an order to be made under section 125 of that Act (powers of court on hearing of petition) for the winding up of the company.

Charging orders

27. An authority may authorise a contractor to determine whether an application is to be made under regulation 50 for an order imposing, on any interest held by a debtor beneficially in the relevant dwelling, a charge for securing the aggregate of any outstanding sum which is or forms part of the amount in respect of which a liability order has been made and costs reasonably incurred in obtaining the charging order.