

Revenues Services

Collecting unpaid Council Tax

Recovery and Enforcement Policy

Collecting Council Tax

The Council's policy is to collect all the Council tax that we are owed and to collect the money as the instalments becomes due.

If the debtor can't keep up payments, we try to help by entering into reasonable arrangements for payment.

Our Collection & Enforcement policy meets current legislation, but also shows we care for customers.

Our Collection & Enforcement policy is applied equally and fairly to all customers to make sure we are objective.

The Council Tax Demand (Bill)

A bill (demand notice) is issued for council tax before the start of the year (1 April) and there is a right to pay by monthly instalments (up to a maximum of 12).

Instalments are due on the first day of each month. However, customers who elect to pay by direct debit may choose to pay on 1st, 7th or 14th of the month

Reminders

If an instalment remains unpaid for 7 days we will issue a reminder notice. The law states that the debtor must pay the reminded amount within 7 days of the issue of the notice.

If the amount on the reminder remains unpaid the customer will lose their right to pay by instalments and no further reminders will then be sent. **The full outstanding balance will then become immediately due.**

A maximum of two reminder notices can be issued in any one tax year.

A second reminder notice would only be issued if the customer has complied with the terms of the first reminder, but their account has fallen into arrears again.

Should the customer fall behind with their instalments for a third time within that financial year, they will lose their right to pay by instalments and the full balance will become immediately due.

Final Notices

A Final Notice will be issued when payments are delayed for the third time in a financial year. At this point the whole outstanding balance is immediately due.

Arrangements

The debtor will always be asked to provide their financial information relating to their household income so we can assess a mutually acceptable arrangement. This is a legal requirement. As a bare minimum we require the employment details of all liable parties and their national insurance numbers.

The Council is not legally obliged to enter into arrangements for payment and where we feel that this is the best method to collect the debt.

If the arrangement is not adhered to it will be cancelled following one reminder and we will take further action to recover the outstanding debt. This may include attaching earnings or referring the debt to an enforcement agent.

It is the Council's policy in all circumstances to obtain a Liability Order to protect our interests in the debt, even if an arrangement is made.

The summons

If the debtor has not fully complied with the reminder notice, final notice, **or** where an arrangement has been entered into on the understanding that a Liability Order will be obtained, a Summons will be issued.

A summons is a legal notice asking the debtor to appear at a Magistrates' Court, however, **you should only attend if you dispute the Council Tax amount owed.** If the debtor knows the tax is correct, but has not paid it, **then the debtor does not need to appear at the court hearing.**

Below is a list of valid reasons for disputing the amount owed in council tax:

1. No entry for the debtor's property exists in the 'Valuation List'.
2. The tax has not been properly set.
3. The tax has not been demanded in accordance with the law.
4. The amount demanded has been paid.
5. More than 6 years have elapsed since the day the tax first became due.
6. The tax is in respect of a 'penalty' which is subject to an appeal.
7. Bankruptcy or winding-up proceedings have been initiated through the County Court.

An outstanding appeal against the debtor's council tax band is not a valid defence against the granting of a Liability Order.

We encourage people to pay by direct debit so, after the issue of a Summons notice, the customer may still make payments by direct debit after bringing their instalments up to date. However, if there has already been two failed direct debit during the financial year then this option is not available. Details are shown on the reverse of the reminder.

The debtor should contact our customer services if they cannot pay the amount due. The debtor may be able to enter into a **suitable arrangement** (see above) to pay their Council Tax.

Enforcement

Once the Magistrates have granted the Liability Order, if we hold employment or benefit details we will apply to have the money deducted at source. Otherwise we will refer the balance to Enforcement Agents and the debtor will be sent a notice informing them of this and the debt due under the order. This notice will also ask the debtor to provide certain financial information and make an offer of repayment.

The debtor **must** complete and return this information within 14 days. **Failure to do so is an offence.**

If the full financial information is not provided, or an arrangement has not already been entered into, then the Enforcement Agents will commence compliance action. They have legal powers, but must observe the Civil Enforcement Association (CIVEA) Code of Conduct and Good Practice. This is available at <http://www.civea.co.uk/code-practice/>

Once the debt has passed to them, any arrangements have to be agreed direct with the agent. The Enforcement Agents act on behalf of the Council to recover the debt, either by making suitable arrangements, or removing goods and selling them at auction.

Attachment of Earnings

Once we have been granted a Liability Order we can send an order to your employer to have deductions made out of your wages. The rates are set by Government. We can apply for two separate orders concurrently.

Attachment of Benefits

Once a Liability Order have been granted we can arrange for deductions to be made from a number of benefits, including Employment Support Allowance, Jobseekers Allowance (income based), Pension Credit, Income Support and Universal Credit. The rate of deduction is set by Government.

Other Avenues of Enforcement

Each debt is carefully considered by the Council before proceedings begin, taking into account all known personal circumstances and reviewing the debtor's case history. It is important that the debtor keeps us informed and always supply us with the information that we request.

- 1. Bankruptcy (minimum debt level £5,000) or company liquidation (minimum debt level £750)** The Council can commence action against you to have you declared bankrupt or have a company wound up. There are considerable costs involved in this process, which are payable by you. **NB: Your home or other assets may be at risk in such proceedings.**
- 2. Charging orders (minimum debt level £1,000)** The Council may register a charge on a property for the debt to be discharged from the proceeds of its sale. The Council may also apply for an order that the property be sold.
- 3. Committal Proceedings** You will be summonsed to appear before the Magistrates and if you fail to do so then the Court will issue a warrant for your arrest (backed with bail) to appear before the Magistrates Court in order that a means enquiry can be carried out. The Court will examine the your 'means' and decide if the non-payment is due to 'wilful refusal' or 'culpable neglect.' The Magistrates can impose a sentence of 90 days imprisonment for each debt covered by a Liability Order.

Cost breakdown

Summons:

Issue of a summons and obtaining a Liability Order £85.00 (Council Tax from April 2019)
Issue of a summons and obtaining a Liability Order £100.00 (Business Rates from April 2019)

Enforcement Agent charges:

On referral from the Council - £75.00.
Visit - £235.00 (+7.5% of the value of the debt if over £1500.00)
Sale of Goods = £110 (+7.5% of the value of the debt if over £1500.00)

Committal:

Commencement of proceedings £315.00
Additional Arrest Warrants £75.00.

The above is not an exhaustive list and additional costs may be incurred by debtors at all stages of the enforcement process

Debt Counselling Services

As the Council does not provide a debt counselling service, we promote the following;

www.NationalDebtline.co.uk or 0808 808 4000

www.cccs.co.uk or 0800 138 1111 (Consumer Credit Counselling Service)

Citizens Advice – www.nottinghamcab.org.uk 0115 938 8050