

Revenues Services

Collecting unpaid Non Domestic Rates

Recovery and Enforcement Policy

Collecting Non Domestic Rates

The Council's policy is to collect all Non Domestic Rates in a timely manner.

This collection and enforcement policy is in accordance with current legislation.

Our collection and enforcement policy is applied fairly to all customers to make sure we remain objective in all cases. We must ensure that we protect the public purse and take any legal steps to ensure that we maximise recovery rates.

The Non Domestic Rates Demand (Bill)

A demand notice (bill) is issued for Non Domestic Rates before the start of the year (1 April) and there is the option to pay by monthly instalments (up to a maximum of 12). We also send out amended bills throughout the year, where there have been changes to the account.

Instalments are due on the first day of each month. However, if you elect to pay by direct debit you may choose to pay on the 1st, 7th, 14th or 24th of each month.

Reminders and Final Notices

If an instalment remains unpaid for 7 days we will issue a reminder notice. The reminded amount must be paid within 7 days of the date the reminder notice is issued.

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

Only one reminder notice can be issued in any one tax year.

Should you fall behind with your instalments for a second time within the financial year, you will lose your right to pay by instalments and the full remaining balance will become immediately due and a final notice will be issued.

Following the issue of a reminder notice, you may still make payments by direct debit, by firstly bringing your instalments up to date. Details are shown on the reverse of the reminder. If you are unable to do this, you should contact us. You may be able to enter into a **suitable arrangement** agreed by us to pay your Non Domestic Rates (see below).

The Court Summons

If you have not paid a reminder notice in full within 7 days or final notice immediately, a Summons will be issued.

At this point costs of £125 will be added to the outstanding debt to cover the extra costs incurred.

Liability Order Application

We will seek in all cases to obtain a Liability Order through the Magistrates' Court to protect our interest in the debt.

We will commence this procedure by issuing a Summons. This is a legal notice asking the debtor to appear at a hearing before the Magistrates, however **you should only appear if you dispute the value of Non Domestic Rates owed.** If you know the tax is correct, but have not paid it, **then you do not need to appear at the court hearing.**

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

1. No entry for the property exists in the 'Valuation List'
2. The tax has not been demanded in accordance with the law
3. The amount demanded has been paid
4. Bankruptcy or winding-up proceedings have been initiated through the County Court.

An outstanding appeal against your Non Domestic Rates with the Valuation Office is not a valid defence against the granting of a Liability Order.

The Court Hearing

At the hearing the Magistrates will decide whether to grant the Liability Order. Once granted you will be sent a notice confirming the level of the debt due under the order.

This notice will also require you to make full payment or contact us should you wish to make a repayment arrangement.

If you do not utilise this opportunity, we will determine other options to recover the debt.

We carefully consider each debt before proceedings begin, taking into account all personal circumstances, reviewing the debtor's case history – including whether there are any unresolved disputes relating to claims for reliefs or exemptions. This is why it is important that you keep us informed and always supply us with the information that we ask for. We will also establish the relationship between the size of the debt and the amount of costs that will be incurred.

The following is a list of possible enforcement action:

Arrangements

We are always willing to come to a reasonable arrangement, taking into account your ability to clear the debt. All arrangements must be agreed by both parties. If you fail to keep up with your agreed repayment scheme, we reserve the right to escalate how the debt is recovered.

Refer to Enforcement Agent

If an arrangement has not already been agreed then we will refer the debt to Enforcement Agents (bailiffs) and you will be contacted by them directly. They have legal powers but must observe the Civil Enforcement Association (CIVEA) Code of Conduct and Good Practice. This is available on the [CIVEA website](#).

They are allowed by law to levy additional charges for collecting the outstanding debt. The levels of these charges are set by government.

Once the debt has passed to an Enforcement Agent you should contact them to make an arrangement. This is at their discretion. The Enforcement Agent acts on behalf of us to recover the debt, either by making suitable arrangements, or removing goods and selling them at auction.

When an Enforcement Agent makes a visit, they will gather and record information that will help in making decisions about further recovery options, should their action be unsuccessful. These would include issues such as

- The state of mind and wellbeing of the debtor
- Any vulnerability issues
- Any disputes relating to the National Non Domestic Rates
- Any financial details/valuable goods which can be taken control of
- The Agent's opinion on the debtor's ability to pay.

Bankruptcy (minimum debt level £5,000) or company liquidation (minimum debt level £750)

We can commence action against you to have you declared bankrupt or have the company wound up. There are considerable costs involved in this process, which are payable by you or the company.

Note: Your assets may be at risk in such proceedings.

Committal Proceedings (individuals only)

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 your 'means' and decide if the non-payment is due to 'wilful refusal' or 'culpable neglect.' The Magistrates can impose a sentence of up to 90 days imprisonment for each debt covered by a Liability Order.

Cost Breakdown

Summons:

Issue of a Summons and obtaining a Liability Order - £125 (from April 2024)

Enforcement Agent charges:

On referral from the Council - £75

Visit - £235 (+7.5% of the value of the debt if over £1,500)

Sale of Goods - £110 (+7.5% of the value of the debt if over £1,500)

Committal:

Commencement of proceedings - £315

Additional Arrest Warrants - £75

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:

[National Debtline website](#) or 0808 808 4000

[StepChange Debt Charity website](#) or 0800 138 1111

[Citizens Advice website](#) or 0800 240 4420 (Relay UK - if you cannot hear or speak on the phone, you can type what you want to say: 18001 then 0800 240 4420)

Last reviewed: April 2024

Next review due: March 2025