

COUNCIL TAX AND NNDR INSTALMENT DATES AND RECOVERY POLICY

1. COUNCIL TAX INSTALMENT DATES

1.1 For 2008/09, the instalments will be due on the following dates:

(a) Direct Debit payers

1st, 12th, 17th, or 28th, depending on the date selected by the Direct Debit payer. If no date is selected, the instalments will be due on the 1st. Instalments commence on the selected date in April and end in January 2009.

(b) Non Direct Debit payers

First instalment on the 7th April 2008, then on the 1st of each month from 1st May 2008 to 1st January 2009.

2. NNDR INSTALMENT DATES

2.1 For 2008/09, the instalments will be due on the 1st of each month from 1 April 2008 to 1 January 2009, a total of 10 instalments.

3. BRENT POLICY FOR COUNCIL TAX RECOVERY

3.1.1 The following documents are currently used for Council Tax Recovery up to bailiff stage:

- Summons for a Liability Order Hearing
- Insert enclosed with the Summons
- Pre Bailiff Letter

3.1.2 Summons for a Liability Order Hearing

This document is issued in accordance with legislation. Summonses are issued under regulation 34 (2) and 14 days must have elapsed between the Summons Service and the hearing. (SI 1998/295).

Note that the summons contains all the requirements of a legal summons. It also contains notification that summons costs of £70.00 have been incurred and that the payment must include the costs.

It is likely that summons costs will be increased to £90 during the 2008/09 year, should this be the case the summons will be amended to reflect the increase.

3.1.3 Inserts enclosed with a Summons

Two inserts are included with the summons. One has been designed to answer many of the questions that are often asked when summonses are received by the Taxpayer. It also incorporates a direct debit form that can be completed offering a payment arrangement. This form can be completed and returned to the Revenues and Benefit Section for a standard arrangement.

The other insert provides details of available debt advice and agencies that can assist. The details of the One Stop Service are listed on the back of the summons

3.2 Policy for inhibiting Summonses

3.2.1 A pre-summons vetting stage currently exists. This additional process has been established to ensure that Taxpayers are not summonsed whilst they have genuine outstanding matters with us. The vetting stage is undertaken by Capita. A pre summons list is produced containing the names and addresses of potential summons cases. The list is then cross checked against the items of work appearing in workflow including outstanding benefit claims, benefit appeals, complaints and Council Tax correspondence. Where appropriate a summons is not issued and any other action suppressed for 28 days giving the Benefits Department/Capita and the Claimant/Taxpayer time to resolve the enquiry. After 28 days the suppression will be automatically lifted, but can re-instated if appropriate.

3.2.2 This process does not mean that a summons cannot be issued to a taxpayer who has an outstanding matter with us. A summons will still be issued in the following circumstances:

- a) there has been a delay by the taxpayer in providing the necessary supporting documentation with their benefit application or information required to assess the claim
- b) the taxpayer is late in making an application and therefore all the arrears would not be cleared by an award of benefit
- c) where it appears that there will not be any or full entitlement to benefit
- d) the issue raised is frivolous with the intention of delaying the payment of Council Tax
- e) the issue raised is not connected to the Council Tax liability.

3.2.3 In accordance with the revised Anti Poverty strategy any accounts where the tax payer has been identified as vulnerable will usually be excluded from summons action. Where appropriate a summons will be issued to enable recovery from Income Support and Job Seekers Allowance. Summons costs will be reviewed in these cases.

Potentially vulnerable customers include:

- Customers who are 80 years or more in age

- Customers with physical disabilities that significantly impair their mobility
- Customers who may find it difficult to manage their own affairs because of mental health difficulties, literacy difficulties or substance abuse problems.
- Customers in fear of domestic violence
- Homeless customers
- Customers with sensory impairments

3.3 **Summons Arrangements**

- 3.3.1 Once a taxpayer has been summonsed they will be offered the opportunity to contact the Council to make an arrangement. They may be currently offered any of the following arrangements.
- 3.3.2 Normally pay by three equal monthly instalments. This can be paid by cash or cheque to the Council. This arrangement must include total costs of £95.00, which includes those for a liability order.
- 3.3.3 As Direct Debit is the preferred payment method, arrangements by Direct Debit can have a greater number of monthly instalments. This arrangement must include total costs of £95.00, which includes those for a liability order.
- 3.3.4 Consideration will be given to extending payment arrangements and reinstating instalments where severe financial hardship is demonstrated. This extension is at the discretion of the Recovery Team. Customer Services may only make arrangements longer than 3 months for cash payers and 6 months for Direct Debit payers with prior agreement by the supervisors of the Arrears & Recovery Team within Capita.
- 3.3.5 Customers who have multiple Liability Orders will be given the opportunity to agree an affordable payment agreement, to cover all outstanding arrears. This may be subject to completion of a means enquiry form.

3.4 **Attachment of Earnings Orders**

Where employment details are available for taxpayers at any stage from a liability order being obtained to the point where bailiff action is commenced, an attachment may be applied. It may also be applied after a case has been returned by the bailiff if a debt remains outstanding. Deductions are made in accordance with current legislation, which determines the appropriate amount that may be deducted.

3.5 **Benefit Deductions**

A Liability Order must be obtained before deductions can start.

Benefit deductions will be applied to some state benefits such as Income Support, JSA or from August 2008 Incapacity Benefit, where the account is closed or there is no ongoing liability as the debtor is in receipt of 100% Council Tax Benefit for current year debt; unless the case is already at the

bailiff when this information is received. All other cases will be passed to the bailiff.

In vulnerable cases (outlined in 3.2.3), deductions from benefit may be made. The Council Tax Office has liaison arrangements with Social Services and other welfare agencies to help identify vulnerable individuals and ensure that their situations are taken into consideration.

3.6 Pre Bailiff Notice

3.6.1 This notice is a personalised notice issued within the first week following a Liability Order hearing. It is issued to all Taxpayers who have failed to pay in full or make an arrangement for payment, and where other methods of recovery are not appropriate. The notice advises the Taxpayer that the account will be passed to the bailiff within the next 14 days for collection. The back of this notice gives details of charges connected with Distress. Information is also given in relation to total costs, which includes the Liability Order costs. An insert is also enclosed requesting information in respect of employment or benefit entitlement. An arrangement for payment can still be made at this stage.

3.6.2 The Pre Bailiff notice is also issued to Taxpayers defaulting on arrangements where a liability order has previously been granted.

3.6.3 In practice there is a big response to this notice. Capita will deal with enquiries before bailiffs are instructed.

3.7 Bailiff Action for Council Tax

3.7.1 The following cases will be subject to Bailiff action following the issue of the pre-bailiff notice:

- (a) No payment arrangement made
- (b) Taxpayers defaulting on existing arrangements
- (c) No contact made

3.7.2 The Bailiff operates under the Association of Civil Enforcement Agencies Code of Conduct.

The bailiff may make charges in accordance with the Regulations.

The bailiff has discretion to make arrangements. He/she is requested to return the Liability Order within three months if he/she is unable to collect unless otherwise authorised.

3.7.3 The bailiff firms currently used are authorised by the London Borough of Brent for both Council Tax and NNDR are:

- (a) Newlyn Collection Services Ltd
- (b) Equita

3.8 **Bankruptcy, Charging Orders and Committal to prison**

In cases where all other recovery methods have failed we will seek to obtain a charging order, bankruptcy order or to seek the Taxpayer's committal to prison depending on individual circumstances.

3.9 **Fast Tracking Benefit Enquiry**

- 3.9.1 Where a Taxpayer makes a late application for Council Tax Benefit after recovery has started or provides information enabling their claim to be assessed then the assessment will be fast tracked. This means the case will be passed to a benefit officer who will attempt to assess the claim within 24 hours, this could mean a case is put into payment or a request for further information is made to the claimant or the claimant is advised they have no entitlement to Council Tax benefit.

4.0 **BRENT POLICY FOR NNDR RECOVERY**

- 4.1 The following documents are currently used for NNDR up to bailiff stage:

- Reminder
- Summons for a Liability Order Hearing

4.2 **Summons for a Liability Order Hearing**

This document is issued in accordance with legislation. Summonses are issued under the Collection and Enforcement Regulations (SI 1989/1058) and 14 days must have elapsed between the Summons Service and the hearing.

Note that the summons contains all the requirements of a legal summons and also contains notification that summons costs of £140.00 have been incurred and that the payment must include the costs.

4.3 **Bailiff Action for NNDR**

- 4.3.1 The following cases will be subject to Bailiff action

- (a) No payment arrangement made
- (b) Taxpayers defaulting on existing arrangements
- (c) No contact made

- 4.3.2 The Bailiff operates under the Association of Civil Enforcement Agencies Code of Conduct.

The bailiff may make charges in accordance with the Regulations.

The bailiff has discretion to make arrangements. He/she is requested to return the Liability Order within three months if he/she is unable to collect unless otherwise authorised.

4.3.3 The bailiff firms currently used are authorised by the London Borough of Brent for both Council Tax and NNDR. They are:

- (a) Newlyn Collection Services Ltd
- (b) Equita

5.1 **Summons Costs and Liability Order Costs**

5.1.1 Taxpayers will incur costs from the moment a summons has been issued. Summons costs for council tax are currently £70; however plans are to increase these costs to £90 during 2008. Summons costs for non-domestic rates are £140.

5.1.2 Summons costs are applied for when the Complaint is laid and the costs are put on the account shortly after this. Both the summons and the summons insert give details of these costs. These summons costs will only be cancelled if the summons is withdrawn or where the costs are waived.

5.1.3 Liability Order costs for both council tax and non-domestic rates are £25. They are incurred when a Liability Order is granted. These costs can be asked for at Court even where the remaining balance outstanding relates to costs only. Taxpayers who therefore pay without settling Summons Costs may incur a further £25. Liability Order Costs will be applied for all cases where a balance remains outstanding on the Court list. Plans are to increase the liability order costs to £30 in 2008.

6.1 **Policy Review**

6.1 This policy document reflects the current initiatives employed and is not prescriptive. It is recognised that policies and the wording of documents are subject to change to meet changing circumstances and legislation.