

COUNCIL TAX AND NNDR INSTALMENT DATES AND RECOVERY POLICY

Introduction

There are 109,000 domestic properties and 8,000 NNDR properties within Brent and the Revenues service is responsible for collecting Council Tax due for each of these properties. The revenue generated from Council Tax collection forms a significant proportion of the Authority's overall Revenue budget and as such we recognise our responsibility to maximise collection to protect the overall financial health of the Authority. We also recognise the diverse nature of Brent as a Borough, with pockets of affluence and large areas of deprivation. We aim to take account of differing customer needs and circumstances and to reflect these in our policies for recovering Council Tax. In overall terms, we aim to deal robustly with those who are wilful non payers and to deal sensitively with those who are willing to pay but are experiencing difficulties in doing so and to ensure that payment arrangements are fair. We are particularly aware of the financial difficulties some residents are facing due to the current recession.

1. COUNCIL TAX INSTALMENT DATES

1.1 For 2010/11, 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 2011.

(b) Non Direct Debit payers

First instalment on the 1st April 2010, then on the 1st of each month to 1st January 2011.

2. NNDR INSTALMENT DATES

2.1 For 2010/11, the instalments will be due on the 1st of each month from 1 April 2010 to 1 January 2011, 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:

- Reminder(s)
- Summons for a Liability Order Hearing
- Pre Bailiff Letter including a means enquiry form and debt leaflet giving help and advice if customers are in debt

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 £90.00 have been incurred and that the payment must include the costs.

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 encourages the customer to contact the council directly rather than attending the court.

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 council tax or housing benefit appeals, council tax complaints and some Council Tax correspondence. Where appropriate a summons is not issued giving the Benefits Department/Capita and the Claimant/Taxpayer time to resolve the enquiry.

3.2.2 This process does not mean that a summons cannot be issued to a taxpayer that 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 be considered for exclusion

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 find it difficult to manage their own affairs because of mental health difficulties or substantial literacy difficulties.
- Homeless customers
- Customers with severe 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. Should contact be made they will be 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 £120.00, 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 £120.00, which includes those for a liability order.

3.3.4 Consideration will be given to extending payment arrangements and re-instating instalments where severe financial hardship is demonstrated.

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 percentage of the individual's salary that may be deducted.

3.5 Benefit Deductions

A Liability Order must be obtained from the courts before deductions can start.

Benefit deductions can be applied to state benefits such as Income Support, JSA, Pension Credit Guarantee Credit, Pension Credit Savings Credit and Employment Support Allowance.

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 if no arrangement is made to clear the balance or the account is not paid in full. The back of this notice gives details of charges connected with the bailiff. An arrangement for payment can still be made at this stage. Information is also given in relation to total costs, which includes the Liability Order costs. Inserts are also enclosed giving debt advice, requesting information in respect of employment or benefit entitlement. A means enquiry form is also enclosed for completion by the tax payer if they require an extended arrangement.

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 back to the council 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 seek the Taxpayer's committal to prison depending on individual circumstances.

3.9 **Customers who are identified as experiencing financial hardship**

The Anti Poverty Policy was devised to assist customers who are experiencing financial difficulties and as a result are having problems either paying their Council Tax arrears or adhering to their current year instalments. It came into force on 1st April 2007.

If a customer contacts the Council advising they have financial difficulties, we will review their outstanding balance(s) for Council Tax. Customers will also always be encouraged to consider applying for Council Tax Benefit and other Discounts and Exemptions, they may qualify for. Where potential entitlement is identified payment arrangements will be made pending assessment of benefit to ensure arrears do not increase. These may need to be reviewed if Council Tax Benefit is awarded.

If a customer contacts the Council following a recovery notice and advises that they cannot meet the payment demanded, consideration will be given to reinstating and extending their instalments.

4. **BRENT POLICY FOR NNDR RECOVERY**

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

- Reminder (s)
- 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. SUMMONS COSTS AND LIABILITY ORDER COSTS

5.1 Taxpayers will incur costs from the moment a summons has been issued. Summons costs for Council Tax are currently £90.00. Summons costs for Non-Domestic Rates are £140.

5.2 Summons costs are applied for when the complaint is laid before the court and the costs are put on the account immediately 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 in special circumstances where the costs are waived.

5.3 Liability Order costs for both council tax and non-domestic rates are £30.00. 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 summons costs only. Taxpayers who therefore pay before the hearing date without settling Summons Costs may incur a further £30.00. Liability Order Costs will be applied for all cases where a balance remains outstanding on the Court list.

6. 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. Any review of the Anti Poverty Strategy is likely to also impact on this policy.