

## **COUNCIL TAX AND NNDR INSTALMENT DATES AND RECOVERY POLICY**

### **1. COUNCIL TAX INSTALMENT DATES**

1.1 For 2004/05, 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 in April (or later, depending on when the date is selected) and end in March.

(b) Non Direct Debit payers

On the 8th April 2004, then on the 1<sup>st</sup> of each month from 1<sup>st</sup> May 2004 to 1<sup>st</sup> January 2005.

### **2. NNDR INSTALMENT DATES**

2.1 For 2004/05, the instalments will be due in 10 instalments on the 1st of each month from 1 April 2004 to 1 January 2005.

### **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 as from 1/4/98).

Note that the summons contains all the requirements of a legal Summons but it also contains notification that summons costs of £45.00 have been incurred and that the payment must include the costs.

#### **3.1.3 Insert Enclosed with a Summons**

This insert 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. If the person needs to discuss the matter further they are asked to contact the Revenues and Benefits Service by telephone.

### 3.1.4 Pre Bailiff Letter

This notice advises the Taxpayer that they have 14 days to pay before the bailiff is instructed. Information is also given in relation to total costs, which includes the Liability Order costs. The back of the notice sets out the current charges connected with Distress. An insert is also enclosed requesting information in respect of employment or benefit entitlement.

The content and layout of the above documents may change to meet future requirements, any changes will be agreed in advance between Capita and the Client team of the Council.

## 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 checked by an officer against the items of work appearing in workflow. The officer will check outstanding benefit claims, benefit appeals, complaints and Council Tax correspondence. The officer will, if he/she considers it appropriate, suppress action for 30 days giving the Benefits Department/Capita and the Claimant/Taxpayer time to resolve the enquiry. After 30 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 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 entitlement to benefit
- d) where benefit has expired because the claimant has failed to return the renewal form in time
- e) the issue raised is frivolous with the intention of delaying the payment of Council Tax
- f) the issue raised is not connected to the Council Tax liability.

### 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 Pay by three equal monthly instalments. Can be paid by cash or cheque to the Council. This arrangement must include total costs of £65.00. If arrangement made on the telephone or at counter, the Taxpayer must be advised that the Council will still apply for a Liability Order.

3.3.3 Pay by Direct Debit and have a greater number of monthly instalments. They will be given a maximum of six instalments but this number will reduce towards the end of the financial year.

**Note:** They will not avoid Summons and Liability Order costs (£65.00 in total) at this stage, even if they do sign up to Direct Debit so remember costs will be included as part of the Direct Debit arrangement. The Taxpayer must be advised that the Council will still apply for a Liability order.

3.3.4 Payment of instalments other than by Direct Debit may be extended beyond the three-month period at the discretion of Capita. The One Stop Shop, Revs & Bens Customer Services may only make arrangements longer than 3 months with prior agreement by the supervisors of the Arrears & Recovery Team within Capita.

### 3.3.5 Attachment of Earnings Orders

Where the Taxpayer gives information enabling an attachment to be made to their earnings then deductions are made in accordance with the legislation. Attachment to Earnings will be made if the information is received at any time between Summons and being passed to the bailiff. Attachments may also be made after a case has been returned from the bailiff without full payment being made. A Liability Order must be obtained before the Attachment is issued to the employer.

### 3.3.6 Income Support Deductions

A Liability Order must be obtained before deductions can start. See details later under 3.7 for where these deductions are applied.

### 3.4 Fast Tracking Benefit Enquiry

3.4.1 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 asked or the claimant is advised they have no entitlement to Council Tax benefit.

### 3.5 Pre Bailiff Notice

3.5.1 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. An arrangement for payment can still be made at this stage (see section 3.3).

3.5.2 The Pre Bailiff notice is also issued to Taxpayers defaulting on summons arrangements.

3.5.3 In practice there is a big response to this notice. Capita try to deal with replies before cases are passed to the bailiff.

### 3.6 Bailiff Action

3.6.1 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) Income Support cases where balances are over £1,000 or there is an ongoing liability (100% Council Tax Benefit is not in payment)

3.6.2 The Bailiff operates under a 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. He/she will compile a report and return to the contractor. If a suitable payment arrangement is agreed with the debtor the Liability Order may remain with the bailiff for a period longer than three months.

3.6.3 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

### 3.7 Income Support/JSA Deductions

3.7.1 Income Support/ JSA deductions will be applied to Income Support/JSA cases where the balance is under £1000 and 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.

- 3.7.2 In vulnerable cases (old age, severe physical disability, mental disability, fear of domestic violence, language problems), deductions from IS/JSA may be made even if the above criteria is not met. Where we are aware of the circumstances these cases are flagged to prevent them from being passed to the bailiff.

### 3.8 Attachment of Earnings

- 3.8.1 Taxpayers may give their employment details at any stage from Summons to the point where bailiff action is commenced. An attachment may 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.

### 3.9 Summons Costs

- 3.9.1 Taxpayers will incur costs from the moment a summons has been issued. The summons costs are currently £45.00 and are applied for when Complaint is laid. 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. (See separate policy document on Costs).

### 3.10 Liability Order Costs

- 3.10.1 Liability Order costs are currently £20.00. They are incurred when a Liability Order is granted. At the present time it is policy that these costs will be asked for at Court even where the remaining balance outstanding relates to costs only. Taxpayers who therefore pay without settling Summons Costs will incur a further £20.00. Liability Order Costs are applied for all cases where a balance remains outstanding on the Court list. Small balances may only be pursued where there is a realistic chance of collecting the debt.

- 3.10.2 This policy document reflects the current initiatives employed on the account and is not prescriptive, it is recognised that policies and the wording of documents are subject to change to meet changing circumstances and legislation.