



Council Tax Collection, Recovery and Enforcement Policy

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1. Introduction

- 1.1 The Council has a duty to ensure that all revenue owed is collected efficiently and effectively for the benefit of all of its Council Tax payers.
- 1.2 Blackburn with Darwen Borough Council believes in a fair and consistent approach to everyone notwithstanding their age, race, gender, disability, sexuality or religious belief. Applying the same ethos to the provision of services to all of its residents, the Council believes that customers have a social responsibility to pay any monies due to the Council.
- 1.3 Whilst striving to continually improve collection and recovery performance, the Council recognises that some people may not pay their Council Tax for a variety of reasons. This may include poverty or other financial hardship, which the Council will endeavour to balance against its duty to collect.
- 1.4 The purpose of this document is to outline the policy and procedure for the collection, recovery and enforcement of Council Tax owed to the Council.

2. Aims of the Policy

- 2.1 The key aims of the policy are as follows:
 - To maximise the collection and recovery of Council Tax;
 - To ensure a professional, consistent and timely approach to recovery action;
 - To use cost effective, fair and proportionate collection and recovery procedures; and,
 - To ensure that debts are managed in accordance with legislative provisions and best practice.

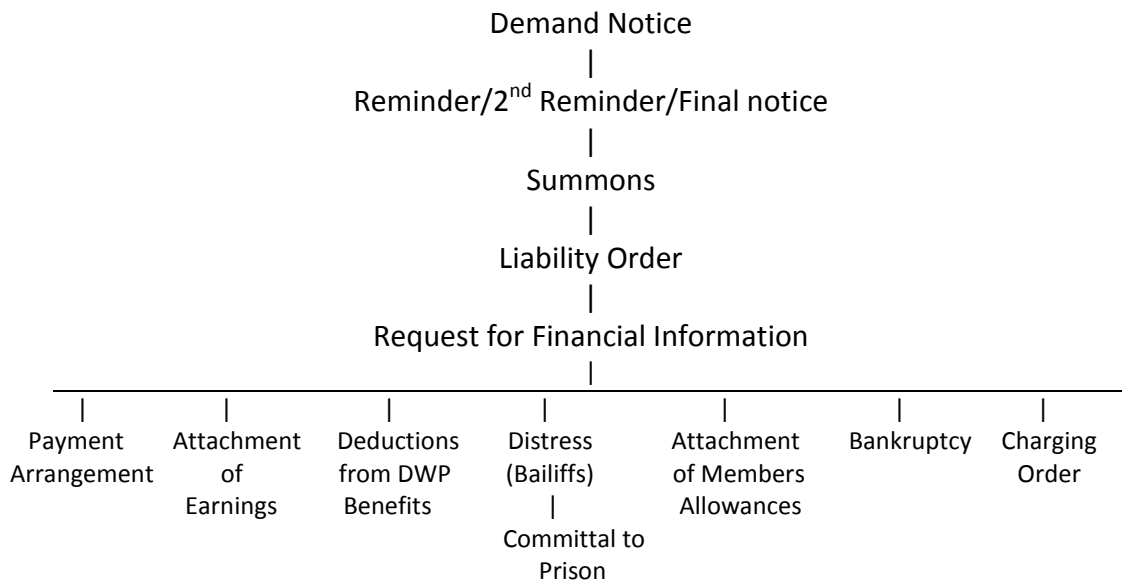
3. Principles of Collection, Recovery and Enforcement

- Accurate and clear demand notices are issued promptly;
- A wide range of payment methods and dates, including the Council's preference of direct debit, are available and are consistently promoted to customers;
- Ways to reduce customer's liability through discounts, exemptions, relief and support are consistently promoted;
- Every opportunity is taken to engage the customer at all stages in the recovery process, including clearly warning customers about further recovery action and any additional costs that may be incurred;
- The appropriateness of each recovery option is reviewed based upon what we know about the customer's circumstances;
- Recovery documents and default notices are issued promptly and in accordance with the agreed Recovery Schedule;
- Enforcement Agents performance is regularly monitored to ensure compliance with the Bailiff Code of Conduct; and,

- The legislation regarding Council Tax administration and enforcement is adhered to at all times.

4. Legislative Framework

- 4.1 The legislative framework for the collection and enforcement of Council Tax is provided by the Council Tax (Administration and Enforcement) Regulations 1992 (SI 1992/613), which is contained within the Local Government Finance Act 1992.



5. Recovery Schedule

- 5.1 The Recovery Schedule is set by the Revenues Manager in March of each year after consultation with the Courts and the Director of Finance and IT. The schedule stipulates the dates on which recovery documentation will be issued throughout the financial year.
- 5.2 Where necessary, the despatch of recovery notices is staggered in order to alleviate customer contact.

6. Stopping or ceasing recovery action

- 6.1 There are occasions where individual cases may require intervention to prevent the automatic recovery action taking place. Council Tax accounts can be suppressed on either a temporary or permanent basis at any stage. Such cases may include accounts of a deceased Council Tax payer, or liable parties that have been hospitalised or currently reside in a care or nursing home. Such accounts will be monitored by the Council Tax Billing and Recovery Managers on a monthly basis.

7. Payment Methods and frequency

- 7.1 The Council offers a range of payment methods and dates. All bills, reminders, final notices and summonses show details of how and where customers can pay.
- 7.2 The Council's preferred method of payment is Direct Debit as it is the easiest way for customers to pay and it is the most cost effective. There are 4 monthly instalment

dates available as well as the option to pay fortnightly, as follows:

- 12 monthly instalments payable on the 5th of the month;
- 10 monthly instalments payable on the 15th of the month;
- 11 monthly instalments payable on the 23rd of each month;
- 10 monthly instalments payable on the last day in the month; and,
- Fortnightly instalments payable on the 15th and the last day of the month.

7.3 There are 2 monthly instalment dates of the 1st and the 15th of the month, payable over 10 months, for cash payers as well as the option to pay weekly.

7.4 Other payment options include paying online, by telephone, by post, by standing order or in person at a Post Office or a Paypoint outlet.

8. The Bill or Demand Notice

8.1 Annual bills are issued mid March prior to the financial period 1st April to 31st March. Where a customer receives a bill at the start of the financial year they will normally be given 10 monthly instalments, unless they have opted to pay weekly or have chosen one of the direct debit dates which offers more than 10 months.

8.2 Adjusted bills are issued on a daily basis where there has been a change in circumstances or an amendment to the amount due. When a bill is issued after the 30th April, the payment period is shorter and there will be fewer instalments.

8.3 In certain circumstances, there may be more than 1 person who is liable for the Council Tax (known as Joint and Several liability) and in such cases bills may be issued in more than 1 name.

9. Reminder, Second Reminder and Final Notice

9.1 Reminder notices and final notices are issued in accordance with the recovery schedule, and are usually issued approximately 14 days after an instalment has fallen due.

9.2 Customers who do not pay an instalment on time are sent a reminder notice in the first instance. If the payments are brought up to date following the issue of a reminder notice, the customer can continue to pay by their instalments.

9.3 Customers who fail to pay an instalment on a 2nd occasion will be sent a second reminder notice. If the payments are brought up to date following the issue of a second reminder notice, the customer can continue to pay by their instalments.

9.4 Where there is a third failure to pay an instalment during the financial year, the full amount for the whole financial year becomes payable and a final notice is issued.

9.5 Customers are given 14 days to either pay the amount shown on the reminder, 2nd reminder or final notice or to contact to make a payment agreement; those who do not pay as requested, or do not make a payment agreement within the timescale will lose the right to pay in instalments and will be sent a Summons.

10. Summonses

10.1 Following non-payment of the full amount shown on the reminder, 2nd reminder or

final notice, complaint will be made to the Magistrates' Court and a summons will then be issued for the customer to appear in Court to explain why payment has not been made. Summonses are then issued, in accordance with the recovery schedule, in respect of cases where the amount of arrears exceeds £30.00.

- 10.2 The summons notice will advise the customer of the date and time that they need to attend Court and will include the amount that has become due, together with an amount for Court costs to cover administration and postage costs.
- 10.3 At the hearing, the Council will make an application for a Liability Order in respect of each case that remains unpaid. If the customer pays the amount of the summons and the costs prior to the hearing date then the application for a liability order will not proceed.

11. Liability Order/Request for Financial Information

- 11.1 Once a liability order has been granted by the Magistrates, each customer is sent a liability order notice, which includes a request for financial information. Customers are also sent details of the enforcement fees and charges connected with distress.
- 11.2 The liability order notice advises the customer that they have 14 days in which to either pay in full or make a payment arrangement, otherwise further recovery action will be taken.
- 11.3 The granting of a liability order allows the following recovery action to be considered:
- Attachment of DWP Benefits;
 - Attachment of Earnings;
 - Attachment of Members Allowances;
 - Distress – Enforcement Agents Bailiffs;
 - Charging Order;
 - Bankruptcy/Insolvency; and,
 - Committal to Prison
- 11.4 After the 14 day timescale has elapsed, where the customer has not paid in full or made a payment arrangement, each case will be looked at on an individual basis to determine the most appropriate recovery action, dependent upon the information that is available at that time.
- 11.5 In respect of each liability order, only one type of recovery action can be pursued at any one time. Where customers are jointly liable for the Council Tax, recovery action may be taken against one or more of the joint taxpayers.

12. Payment Arrangements

- 12.1 Payment arrangements may be agreed after either a summons or a liability order notice has been issued; where an arrangement is agreed for the current financial year, the arrangement must usually be paid by the end of the financial year.
- 12.2 All payment arrangements entered into with the customer must be reasonable and sustainable from the customer's point of view. To make the best assessment of the customer's ability to pay as much detail as is necessary will be requested and where the customer is working this will include their employer details.

12.3 However, the Council reserves the right not to enter into payment arrangements with customers who have a history of regular default and/or where the payment offer is not reasonable and therefore not acceptable.

13. Attachment of DWP Benefits

13.1 Where the customer is in receipt of certain benefits, the DWP may be requested to make deductions directly from the customer's benefit to pay the Council Tax arrears. Only one attachment of benefit order can be in force at any one time.

13.2 Deductions may be requested from the following types of benefit:

- Income Support;
- Job Seekers Allowance;
- Employment Support Allowance;
- Guaranteed Pension Credit; and,
- Universal Credit

13.3 The current weekly deduction rate is £3.65 a week and payments are usually sent to the Council on a monthly payment schedule.

14. Attachment of Earnings

14.1 Where the customer is in employment, the employer may be requested to make deductions directly from the customer's salary or wages to pay the Council Tax arrears.

14.2 The amount of the deduction depends upon how much is earned and the amounts are set by law, as shown in Appendix A. A maximum of two attachment of earnings orders can be in force at any one time.

14.3 The deductions made by an employer in respect of an attachment of earnings order are usually sent to the Council on a monthly payment schedule.

15. Attachment of Members Allowances

15.1 Where the customer is an elected member, a deduction may be taken from their allowances to pay the Council Tax arrears.

15.2 The deduction is 40% of all allowances paid and the deducted amount is paid directly to the Council Tax account.

15.6 Councillors are not allowed to vote on certain financial matters if more than 2 months in arrears with Council Tax payments. There is an obligation on Councillors to disclose such arrears; failure to do so is an offence.

16. Enforcement Agents/Bailiff Warning letter

16.1 In certain cases, a pre-bailiff warning letter will be issued to the customer allowing them 14 days as a final opportunity to make contact to resolve the matter, prior to sending their case to the Bailiffs.

- 16.2 A warning letter is usually issued to the customer in the following cases:
- Where the customer is in receipt of ongoing Council Tax Support;
 - Where the customer has defaulted on their payment arrangement;
 - Where the previous recovery action is no longer an option, and the customer needs to be informed of the next course of action;
 - Following the successful trace of an absconded customer, and the customer needs to be informed of the next course of action; and,
 - Following the suspension of recovery action and the customer needs to be informed of the next course of action.
- 6.3 After the 14 day timescale has elapsed, where the customer has not paid in full or made a payment arrangement, the case will be referred to the Enforcement Agents/Bailiffs.

17. Distress – Enforcement Agents

- 17.1 If a customer does not complete and return the Liability Order Notice and Request for Financial Information within 14 days, or if we are unable to come to a reasonable payment arrangement or if the customer fails to maintain their payment arrangement, the case may be referred to the Enforcement Agents/Bailiffs to recover the outstanding Council Tax arrears.
- 17.2 All accounts are individually checked prior to being referred to the Enforcement Agents/Bailiffs, to ensure that there is not an alternative recovery method available. The total amount outstanding must exceed £150.00.
- 17.3 When the Enforcement Agents/Bailiff makes a visit, they will be seeking payment in full. If the customer cannot pay the bill in full immediately, the Enforcement Agent/Bailiff will seek to make a payment arrangement. In such cases, the Bailiff will secure the debt by levying upon the customer's goods.
- 17.4 All monies collected by the Enforcement Agents/bailiffs are paid to the Council on a weekly payment schedule. If the customer fails to pay as agreed, the Enforcement Agent/Bailiff may remove the goods for the purpose of selling them at auction.
- 17.5 The Enforcement Agent/Bailiff can add a fee to the bill for each time that they have to visit. The fees are set within the legislation.
- 17.6 Where the case is with the Bailiffs and the next stage is to remove goods, the Bailiff will use their professional judgement in all cases and advice will be sought from the Council's Council Tax Recovery team prior to proceeding.
- 17.7 If the Enforcement Agent/Bailiff believes that there are insufficient goods to clear the debt or in cases where it is considered inappropriate to remove goods, the case will be returned to the Council for consideration.
- 17.8 The Enforcement Agents/Bailiffs who visit cases on behalf of Blackburn with Darwen Borough Council are certificated by County Court and operate within the Enforcement Agent/Bailiff Code of Conduct; any complaints relating to the Enforcement Agent/Bailiff will be treated seriously and investigated thoroughly, in accordance with the Council's corporate complaints procedure.

18. Charging Orders

- 18.1 In cases where the property is owned by a customer who has Council Tax arrears which are in excess of £1000.00, the Council may apply to the County Court for a registered charge to be placed on the title deeds of the property concerned.
- 18.2 This means that the Council Tax debt is secured against the property until it is sold, at which point the Council Tax will be paid from any proceeds the sale.
- 18.3 Once a registered charge has been placed on the property the Council may make a further application to the Court for an order to force the sale of the property.
- 18.4 All cases that are selected for an application for a Charging Order are firstly issued with a Charging Order warning letter, which gives the customer a final opportunity to make contact to resolve the matter and warns of the action that will be taken if they do not.
- 18.5 The Council does not take these proceedings lightly and each case will be assessed and progressed based upon its own individual merits, taking into account the personal circumstances of the customer.

19. Bankruptcy Proceedings

- 19.1 The Council may apply to the County Court for an individual to be made bankrupt where they have Council Tax arrears which exceed £5000.
- 19.2 Once a bankruptcy order has been made by the Court, the official receiver (or an insolvency practitioner) will be appointed to administer the bankruptcy and liquidate the assets of the individual, in order to pay the Council Tax arrears.
- 19.3 The Council does not take these proceedings lightly and each case will be assessed and progressed based upon its own individual merits, taking into account the personal circumstances of the customer.

20. Committal Proceedings

- 20.1 Committal proceedings are only considered once all other recovery options have been exhausted and the Enforcement Agents/Bailiffs have been unable to collect the arrears and the case has been returned to the Council.
- 20.2 All cases that are selected for Committal are firstly issued with a Committal Pending Notice, which gives the customer a final opportunity to make contact to resolve the matter and warns of the action that will be taken if they do not.
- 20.3 The Court costs associated with Committal proceedings are set within the legislation.
- 20.4 Committal applications are only made where the debt exceeds £1000.00, and proceedings are instigated by applying to the Magistrates for a Summons to be issued to the customer for them to appear in Court to explain why payment has not been made.
- 20.5 If the customer attends the Court hearing the Magistrates will establish whether the customer has not paid because of wilful refusal or culpable neglect. The Court will ask

whether an offer of payment can be made and if not the customer will undergo a means test, to help the Court decide what the customer can afford to pay.

- 20.6 If the customer does not appear in Court, the Council will ask the Magistrates to issue a warrant for arrest. This means that a Enforcement Agen/ bailiff can arrest the customer and bail them to appear in Court at a later date.
- 20.7 At the hearing there are a number of options available to the Court:
- Adjourn – pending further information;
 - Make an order for payment;
 - Make a Court order with a suspended sentence – usually on payment terms;
 - Remit all or part of the debt;
 - Issues a warrant of arrest – either with or without bail; and,
 - Make a Commitment order.
- 20.8 The Council does not take these proceedings lightly and each case will be assessed and progressed based upon its own individual merits, taking into account the personal circumstances of the customer.

21. Financial Hardship and Vulnerability

- 21.1 The Council recognises that some customers may not pay their Council Tax because of genuine financial and/or other difficulties.
- 21.2 When such cases are identified, each case will be considered on an individual basis and if appropriate, recommendations may be made for an extended payment agreement or arrangement, subject to full income and expenditure details being supplied.
- 21.3 Where there is evidence that the customer has multiple debts the customer may also be referred to the Advice Team, Citizens Advice Bureau or other local advice agencies, which may be able to assist with budgeting advice.
- 21.4 However, there may be cases where evidence of severe financial hardship exists or where the customer has a vulnerability (which could be physical or mental) which means that they may not capable of understanding or defending themselves properly from recovery proceedings, or where although the customer can understand the proceedings, their particular circumstances mean that continuing recovery action would be inappropriate.
- 21.5 In such exceptional circumstances, where evidence of severe financial hardship exists or where continuing with the recovery process would be inappropriate, the Council has a discretionary Hardship Fund for working age claimants of Council Tax Support which is available to assist customers with their Council Tax payments.
- 21.6 For those Council Tax payers who experience severe financial hardship from the reductions to empty property discounts, a review will be available which will consider whether a suspension of recovery action or a temporary deferment of the arrears can be granted.

When making this decision the Council will consider:

- The Income and Expenditure details of the applicant;
- Whether the financial hardship is as a result of the additional empty property Council Tax charges;
- The personal circumstances of the applicant, their partner and any dependents and any other occupants of the applicant's home;
- The difficulty experienced by the applicant, which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist;
- Other debts outstanding for the applicant and their partner;
- The exceptional nature of the applicant and/or their family circumstances that impact on finances;
- Whether the customer has already accessed or is engaging for assistance with budgeting and financial/debt management advice, and;
- Whether the property is actively being marketed for sale or occupancy by a tenant.

A periodic review can be undertaken at any time to reconsider the suspension of recovery/temporary deferment of the charge and the customer's circumstances. The frequency of review will vary dependent upon individual circumstances.

21.7 Any appeal against a decision made under the '*Financial Hardship and Vulnerability*' criteria must be made in writing and reach the Council within 28 days of an organisation receiving notification of a decision.

- The Council will acknowledge the appeal within 5 working days of receipt;
- The Director of Finance and IT will consider the appeal, and;
- The applicant will be informed of the final decision as soon as practicable thereafter.

22. Write Off

22.1 The Council has a comprehensive Write Off Policy which ensures that all reasonable steps are taken to recover Council Tax arrears before considering writing the arrears off.

22.2 When considering such cases it is important to strike a balance between recovering the debt as effectively and efficiently as possible with what is fair and reasonable to the customer and council tax payers as a whole.

22.3 Once all possible recovery options have been investigated and exhausted, the main reasons for a write off are:

- Where the customer has absconded;
- Where the customer is deceased;
- Due to Bankruptcy/Liquidation;
- In cases of Severe Financial Hardship and/or Vulnerability;
- Uneconomical to pursue recovery;
- Remittal by the Magistrates; and,
- Cases where the debt is statute barred.

22.4 Write Offs that are requested are subject to scrutiny and sign off dependent upon

the size of debt:

- For debts from £0.01 to £4,999.99 the Director of Finance authorises the write off;
- For debts from £5,000.00 to £29,999.99 the Executive Member for Resources authorises the write off; and,
- For debts over £30,000 the Executive Board authorises the write off.

22.5 A report, which includes a full analysis of the reasons for any write offs, is prepared on a quarterly basis for the Director of Finance.

Appendix A – Attachment of Earnings table of deductions

Deductions from weekly earnings

Net Earnings	Deduction rate %
Not exceeding £55	0
Exceeding £55 but not exceeding £100	3
Exceeding £100 but not exceeding £135	5
Exceeding £135 but not exceeding £165	7
Exceeding £165 but not exceeding £260	12
Exceeding £260 but not exceeding £370	17
Exceeding £370	17 in respect of the first £370 and 50 in respect of the remainder

Deductions from monthly earnings

Net Earnings	Deduction rate %
Not exceeding £220	0
Exceeding £220 but not exceeding £400	3
Exceeding £400 but not exceeding £540	5
Exceeding £540 but not exceeding £660	7
Exceeding £660 but not exceeding £1,040	12
Exceeding £1,040 but not exceeding £1,480	17
Exceeding £1,480	17 in respect of the first £1,480 and 50 in respect of the remainder