



factsheet

Partnerships and Customer Services

COUNCIL TAX PAYMENTS AND ‘RECOVERY ACTION’ TAKEN BY THE COUNCIL

Every year the Council takes ‘recovery action’ against Charnwood residents who have failed to make the necessary payments towards their Council Tax accounts. This ‘action’ commences as early as April and runs throughout the whole financial year, and it ranges from the issue of reminder notices, summonses, court action and even possible bailiff or bankruptcy proceedings. So why does the Council have to take those steps, and how can you make sure that it doesn’t happen to you? Here are a few facts and hints about paying Council Tax which may help explain how the system works.

It is very important that Council Tax is paid when due. Charnwood collects Council Tax on behalf of the County Council, the Police and Fire Authorities and the various Parish Councils. The money due to those other Authorities (over 90% of the total) must be paid at regular intervals, whether or not Charnwood has collected it from taxpayers, so that is why the legislation allows the Council to apply strict rules on when payments must be made, and gives the Council additional powers to collect unpaid debts.

Everyone has the right to pay Council Tax in instalments. But when the instalments aren’t paid when they’re due, this right can be taken away from you.

Published Aug 07



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When an instalment is missed the Council will write to you (in the form of a 'reminder notice'), and ask you to pay the overdue amount. The reminder notice is just what the name suggests – a letter to remind you to bring your account up to date. It may read a bit harsh and official, and will mention what could happen if you don't pay the arrears (that information is a legal requirement), but if you pay the missing instalment(s) then no other action is necessary.

There is a twist to the reminder notice set-up – you may receive a maximum of only 2 reminder notices for a financial year. If you default on an instalment for a third time in the year your right to pay by instalments (for that year) is lost, and the whole outstanding balance for the year becomes due immediately. So, repeated missed or late payments will result in the Council asking for all your remaining Council Tax to be paid in one lump sum (this is when a final notice will be sent).

Where a reminder or final notices has been sent and the account has not been brought up to date or paid in full as requested, the Council will issue a summons. A summons is basically a document which tells a taxpayer that the Council will be asking the local Magistrates to award a liability order to the Council against the taxpayer, for failure to pay Council Tax as required. The summons tells the taxpayer when the Council will make this request and 'invites' the taxpayer to attend to state why payment has not been made. Whenever a summons is issued, summons costs are added to the account, and must be paid as part of the Council Tax debt.

The law allows very limited scope for Magistrates to refuse to grant a liability order to the Council. The following are examples of reasons for non-payment which will **not** stop a liability order being granted:



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- I pay the Council Tax every month, but sometimes it's a little late.
- I pay regularly through the year, but not on the dates the Council has requested.
- The Council took my instalments away, and asked me to pay the lot in one lump sum.
- I think the amount I'm being asked to pay is wrong.
- I can't afford it at the moment – I'll be able to catch up later in the year.

Attendance at the Magistrates Court is not compulsory, and in reality very few people who have been summonsed attend the Court. Instead, many people contact the Council to make a payment arrangement which, if kept to, prevents any further action (known as enforcement action) being taken against them.

If a liability order is granted against you the Council is then authorised to take enforcement action to recover any outstanding Council Tax (if, as stated above, a payment arrangement has been agreed, further action will not be necessary).

At this stage the Council has the legal right to request payments direct from your wages or salary, or from certain welfare benefits. The Council bailiff can also pay you a visit to arrange for payment, or potentially look to remove goods to the value of the outstanding debt (this is very rarely necessary). One of the other options open to the Council is to begin bankruptcy proceedings against anyone who is unwilling to agree payment and for whom the other enforcement actions aren't appropriate.

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So that's what Council Tax recovery action is all about. But how can you make sure you avoid it? Here are a few points which may help.

First, and most obvious, make sure you pay your instalments when they are due. If you often forget to pay why not consider payment by direct debit – it means that you will never miss a payment or pay late, so will never have action taken against you. If direct debit is not for you, remember that you can now pay on line or by telephone (the Council now has a dedicated payment line – see below).

If you have had a reminder issued to you make sure you bring the account up to date immediately – delaying may result in a summons being issued. Remember that a third payment default will result in the full balance becoming due immediately, so if you are late with your payments don't let it happen more than twice in one year!

Having a summons issued against you can be very distressing, but remember that making (and keeping) an acceptable payment arrangement at that point will stop any further action being taken. The Council will still ask for a liability order (as a form of 'guarantee' that the arrangement is paid), but will not use it as long as everything goes to plan on the arrangement.

Payment of the summonsed balance (including costs) before the court date means that no liability order need be requested, so your name will not be put before the magistrates.

It is still possible to make an arrangement after a liability order is granted against you. But contacting the Council earlier (as soon as a summons is received) will give you more time to pay on an arrangement, and should cut down on the paperwork issued to you.



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If you are on a low income why not check out whether you may be entitled to Council Tax benefit (see 'phone details below).

Remember that payments can be made at any time using the Council's direct payment 'phone line or via the Council website.

If you require more information please contact:

Direct payment phone line **01509 634555**

To ask about benefit entitlement 'phone **01509 634851**
or **634854**

For any enquiries about Council Tax, including recovery action,
phone **01509 634873**

This information is available in different formats. To access these please phone (01509) 634560.

এ তথ্যাদি অন্যান্য মাধ্যমে পাওয়া যায়। এসব পেতে হলে দয়া করে (01509) 634560 এ নাম্বারে টেলিফোন করুন।

這資料具不同的格式，請致電 (01509) 634560 索取。

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