

Recovery Policy – Council Tax and NNDR

1 Introduction

- 1.1 The purpose of this policy is to provide the framework for the Revenue Service to work from to provide efficient and effective revenue collection (Council Tax and National Non Domestic Rates).
- 1.2 The Policy is intended primarily for staff and managers who are involved in this process but is also a public document and is available to members of the public on request as well as being available on the website.

2 Aims

- 2.1 The Recovery Policy will comply with current regulations and incorporate the Council's corporate policies where applicable.
- 2.2 The Recovery Policy and timetable for Revenue collection will be agreed in advance ensuring all taxpayers are treated fairly and objectively.
- 2.3 Instalments and balances will be collected as they become due and unpaid instalments/balances will be recovered in a timely and efficient manner.
- 2.4 Where instalments become overdue the Revenue Service will endeavour to be responsive to individual circumstances and attempt to make a reasonable and mutually acceptable arrangement for payment where possible.
- 2.5 All complaints will be dealt with in 10 days and depending on the nature of the complaint, recovery action may be suspended pending further investigation.

3 Demand Notices

- 3.1 The Revenue Service will issue Demand Notices in accordance with the regulations. Demand Notices resulting from a change in circumstances will be issued within 2 working days of the change being processed.
- 3.2 The Revenue Service aim to process all changes to accounts within 10 working days of them being notified however this is subject to resources being available.

4 The Recovery processes

- 4.1 The recovery process operated by the Revenue Service complies with current regulations and a recovery timetable is drawn up before the

beginning of each financial year to ensure that all taxpayers are treated fairly and objectively.

4.2 The recovery timetable will take into account key areas such as:

- Notices issued in accordance with the regulations
- Notices issued in a timely manner to ensure efficient collection and recovery
- The issue of notices is timetabled to maximise resources available to assist customers over the telephone, reception desk and by correspondence.
- Customers are encouraged to contact us at each stage of the recovery process to discuss difficulties they are experiencing and to make a mutually acceptable arrangement for payment.

5. **Reminders**

5.1 Due to the number of accounts administered by the Revenue Service it has been decided that reminders will not be checked individually before they are issued. Parameters are agreed in advance by the Senior Managers and reminders are issued on this basis. The parameters consist of number of days behind and the monetary minimum value.

5.2 Generally reminders are issued between 14 days and 20 days of the instalment becoming due. However during certain times of the year this may be reduced to only 7 days – particularly in March as the end of the year closes.

5.3 A maximum of 2 reminders will be issued in any one financial year in accordance with the regulations. A second reminder will only be issued if the tax payer complies with the terms of payment contained in the first reminder and subsequently fail to pay a further instalment by the due date.

5.4 All reminder notices are issued with a leaflet 'What you need to know if you receive a reminder notice'. This leaflet is revised annually and contains details about:

- Online account checking
- Advice about reminders and the Authorities contact details
- How to obtain independent advice
- Complaints procedure
- Details of further recovery action and associated costs

- Council Tax Benefit

5.5 All reminders are issued with a direct debit to encourage take up of this more efficient method of collection.

5.6 Reminders are issued by second class post on the day they are printed.

6 **Final Notices**

6.1 If payment demanded on a closing account or an account with only one instalment, or other such scenario prescribed by regulation, is not received by the due date a final notice will be issued.

6.2 A final notice confirms that the liable person has lost the right to pay by instalments, and informs them of the balance due to the end of the financial year.

6.3 With each final notice a leaflet is issued 'What you need to know if you receive a final notice'. This leaflet is revised annually and contains details about:

- Online account checking
- Advice about final notices and the Authorities contact details
- How to obtain independent advice including Citizens Advice, Consumer credit counselling and National Debtline
- Complaints procedure
- Details of further recovery action and associated costs
- Council Tax Benefit

6.4 Final notices are issued by second class post on the same day as they are printed.

7 **Summons**

7.1 A summons will be issued if the liable person has not made payment in accordance with the notices previously issued.

7.2 Where an arrangement to pay has been agreed a summons may still be applied for and Liability Order sought to protect the Council's interest.

7.3 A summons is issued as a result of Kingston Council applying to the magistrate's court for a Liability Order against the liable person. The Council will make a complaint to the Justice of the Peace or Clerk to the Justices, requesting the issue of a summons, directed to the liable

person to appear before the court to show why they have not paid the sum which is outstanding.

- 7.4 A summons will always be issued with a clear 14 days between issue and the court hearing date.
- 7.5 The summons will state the amount of unpaid and the time and place at which the defendant is required to appear at Court.
- 7.6 The normal service of a summons will be by first class post and in accordance with the regulations.
- 7.7 All summons will be issued with a leaflet: 'What you need to know if you receive a Summons'. This leaflet is revised annually and contains details about:
- Online account checking
 - Advice about summonses and the Authorities contact details
 - How to obtain independent advice
 - Complaints procedure
 - Details of further recovery action and associated costs
 - Council Tax Benefit
- 7.8 The leaflet specifically identifies the areas of dispute that can be heard in the Magistrates Court:
- i) There is no valid entry in the Banding List for the period of liability.
 - ii) The tax has not been properly set.
 - iii) The tax has not been properly demanded.
 - iv) The amount demanded has been paid.
 - v) More than six years have elapsed since the day on which the sum became due.
 - vi) The sum is in respect of a penalty, which is subject to an appeal.
 - vii) Bankruptcy or winding-up proceedings have been commenced.
- 7.9 If a liable person (defendant) disputes their liability or the amount of discount or exemption granted, they may appeal to the Revenue Service in the first instance and if further disagreement continues they have a right of appeal to the Valuation Tribunal. However the full amount as demanded remains due and payable until the appeal has been decided. If following the decision of the appeal the Liable Person is in credit then the amount of the credit will be refunded.

- 7.10 If the liable person has a benefit claim outstanding to be processed, a summons will be issued and Liability Order applied for but no further action would be taken pending the outcome of the benefit claim.
- 7.11 The costs charged to the liable person (defendant) by the Authority for a Summons, are made up of both the Authorities administration costs and court costs. The latter are paid to the court on the issue of a summons. The administration costs are agreed by the Department of Constitutional Affairs for the London Boroughs. The court costs are set annually by the Courts.
- 7.12 Costs are payable by the liable person once a summons has been issued and only in exceptional circumstances are these deemed not payable.
- 7.13 A summons is a legal document requiring the defendant to attend a court hearing. The defendant has the right to attend the hearing to give evidence as to why an order should not be made see 7.8 above, however if the defendant does not appear the hearing will proceed in their absence.
- 7.14 If the Magistrates are satisfied that the sum shown on the summons has become payable by the defendant they will issue a Liability Order to the Royal Borough of Kingston upon Thames. This order will carry further costs which have been previously agreed with the Courts.
- 7.16 Within 3 days of a Liability Order being granted the Revenue Service will issue a notice to the liable person confirming that an Order has been granted. This notice will contain a request for further information in accordance with the regulations. In addition the notice will specify that recovery will continue without further notice to the liable person.

8. **Recovery after Liability Order**

- 8.1 A Liability Order is a legal instruction authorising the Council to recover the outstanding sums by any of the following means:
- 8.2 **Attachment of Earnings Order:** this is an order instructing the liable person's employer to make deductions from the earnings of the employee and to pay the amounts deducted to the Council. The liable person must supply the Council with details of their employment, on request, and failure to do so could result in an additional fine of up to £500 for non-disclosure and £1,000 for supplying false information. Once the attachment is served on the employer deductions must be made as required by regulations, the actual amount varying with the income of the liable person.
- 8.3 **Deductions from Income Support / Job Seekers Allowance:** if a liable person qualifies for income support or Job Seekers Allowance and a balance remains outstanding then this may be collected by way of direct deduction through the Benefits Agency.

- 8.4 **Distress:** the Council employs Certificated Bailiffs to collect the debt and/or remove goods and chattels to be sold at auction to settle the whole or part of the debt. The instruction of Bailiffs will incur the defaulter with significant additional costs- some of which are specified by Statute and other costs will be set at reasonable levels to cover the work undertaken.

There is a code of conduct and service level agreement between the Bailiffs and the Council and these are monitored regularly by the Revenue Service.

- 8.5 **Bankruptcy / Liquidation:** will be considered if there are sufficient assets to realise and meet the outstanding debt and the debt exceeds that required by legislation. There will be significant costs associated with this method of recovery incurred by the liable person.
- 8.6 **Charging Orders and Sale Orders-** a Charging Order may be placed on a property to secure a debt. This will not prevent other methods of recovering the debt. Orders for properties to be sold will be considered in relevant circumstances.

9. **Method of Recovery/arrangements and benefits**

- 9.1 The method of recovery for individual cases will be determined by the Revenue Service based on the most efficient and effective means of securing the monies due to the Authority.
- 9.2 At all stages of recovery the debtor will be encouraged to contact the Revenue Service to make an arrangement and not incur further costs. Where a case has been referred to the Bailiffs any arrangement for payment must be made direct with the Bailiff company.
- 9.3 The Revenue Service understands and is sympathetic to debtors who find themselves in difficult financial or personal circumstances and will encourage early contact with the Service so that mutually acceptable arrangements may be made and any issues regarding liability discussed with the aim of resolution.
- 9.4 The Revenue Service appreciates the benefit both to the customer and the Council of paying regular bills by direct debit and if a customer is prepared to use this method of payment for ongoing council tax and non domestic rates any costs incurred may be written off and an extended payment arrangement may be given. This applies to the first direct debit set up only.

10. **Committal**

- 10.1 The Council may, if it is unable to clear the debt by way of removal of goods and other methods, apply for a further summons to be issued for the debtor to appear before the Magistrates for an enquiry into his or her means. The 'means enquiry' will be for two periods:

- The period covered by the Liability Order
 - The current period
- 10.2 If the debtor does not attend Court the Council will apply for an arrest warrant with bail initially and then without bail if the debtor again fails to attend.
- 10.3 The arrest warrant with bail will be hand delivered to the debtor and it will specify a time to appear at court.

The arrest warrant without bail will require the immediate arrest of the debtor who will be taken and detained at a relevant place (police station or prison cells) pending the hearing at court.

- 10.4 Such action could result in a maximum prison sentence of three months. Arrangements to pay at this stage are not a matter for the Council but for the Magistrates Court to consider.

11 **Equality**

- 11.1 Kingston has a comprehensive equal opportunities policy entitled 'Putting People First'. This policy states that 'Services offered should be relevant to the needs of the local community, reflecting (where appropriate) the diversity of its religious and cultural heritage, advertised in a readily understandable format avoiding jargon and wherever possible developed in partnership with local people. Services will be provided on the basis of fairness and openness. No one will receive less favourable treatment because of their race, nationality, colour, ethnic or national origin, religious belief, sex, marital status, sexual orientation, age or disability'.
- 11.2 The Revenue Service will ensure that all reasonable effort is made to provide a suitable opportunity for minority groups to make their opinions known and to highlight any barriers experienced by some groups in accessing the service.
- 11.3 Annual customer consultation will be undertaken in accordance with the Corporate Consultation Strategy Good Practice Guide. The aim of the consultation is to ascertain customer satisfaction, ethnic makeup of our customers, and service accessibility. Consultation questions also ask for any improvements customers would like to see in the service. Consultation is carried out both by post and exit surveys of customers who use the enquiry desk.
- 11.4 The results from the consultations are taken into account when the Service Plans are drawn up for the following year.
- 11.5 All demand notices provide information on special needs requirements. These include: translation services, large print, Braille and deaf amplification. We have developed online account checks so that

customers can view their account from their home pc desk top. We also communicate by email if the customer prefers – this is particularly useful for those customers who have hearing and sight difficulties. We also submit articles to the Talking News to ensure our ‘sight impaired’ customers are kept upto date alongside the ‘Livin Kingston’ readers.

- 11.6 Contractors who are used by the Authority are checked to ensure they meet the Authorities equal opportunities standards.

12 **Tracing of Debtors**

- 12.1 All amounts unpaid will be pursued in accordance with the above policy. In the event of the debtor leaving their last know address without providing a forwarding address, the Council will use various methods of tracing the individual which may include external tracing agents and companies.

13. **Write off**



The Council will only write off debts where they have been unable to trace the debtor. All other debts will be pursued in accordance with this policy.

The only exceptions to this are:

If the debtor is declared bankrupt and a dividend is received that is less than the full liability the difference must be written off.

If the debtor is committed to prison the debt relating to that offence must be written off.

Where a debtor has died and there are no funds in the Estate the debt must be written off.

Where the Magistrates during a committal hearing have agreed to remit all or part of the debt.

Where the Council is subject and agreed to an Individual Voluntary Agreement that is less than the full liability the difference must be written off.

* The Council will use tools such as Experian database and tracing agencies to pursue absconders.

This Policy has been agreed under the Councils delegated powers by

Strategic Director of Finance_____

Date_____