

Carlisle City Council

Council Tax Collection and Enforcement

Non payment of Council Tax may result in the following actions:

1. **Attachment of Earnings**
2. **Attachment of Benefit**
3. **Enforcement Action**
4. **Committal to prison**
5. **Bankruptcy**
6. **Charging Order**

Council Tax Collection & Enforcement

- It is the Council's aim to collect all statutory instalments of Council Tax as they become due.
- Wherever possible, this will be achieved by encouraging the use of Direct Debit.
- The Council will try and be as responsive as possible to individual needs.
- If you are experiencing difficulty in paying you are encouraged to contact the Council Tax office as early as possible.
- At all times the Council will adhere to the statutory regulations and to its duty to the Council Taxpayers as a whole.

The Collection Process

- All collection is carried out under the Council Tax (Administration and Enforcement) Regulations 1992 (As amended)

Demand and Reminder Notices

The law states that:

The Council Tax demand is issued for the annual charge and you have the right to pay by monthly instalments

If you are late paying an instalment, the Council will issue a Reminder Notice.

If you do not make payment within 7 days the whole amount for the rest of the year becomes due immediately.

You will only receive a further Reminder Notice if you paid the amount on the first Reminder Notice but fall behind again with your payments. If you bring your instalments up to date, you can still take advantage of the Direct Debit payment system, details of which are included with your Bill or on the reverse of the Reminder Notice. You will be sent a maximum of 3 Reminder Notices for any one financial year.

Magistrates' Court

If the whole amount for the year has become due and you do not make full payment, you will be summonsed by the Magistrates' Court where the Council will apply for a Liability Order.

You are entitled to attend Court, however, there is no need unless you dispute that you are liable to pay an amount of Council Tax. Currently the costs incurred by the Council Taxpayer, if a summons is issued, is £65.00.

Valid defences are:

- Your property does not appear on the Valuation List for the period of liability.
- The Billing Authority has not legally set the tax
- The tax has not been demanded in accordance with the statutory regulations.
- The amount has been paid in full.
- More than six years has elapsed since the day on which the charge became due.
- Bankruptcy (including IVA's) or winding up proceedings have been initiated,

An outstanding appeal against your property band is not a valid defence against the granting of a Liability Order.

If you know that you owe Council Tax but are having trouble paying it there is no need for you to attend Court, but you should contact the Council Tax Department as soon as possible.

Enforcement

After a Liability Order has been granted, a notice may be issued requiring you to supply financial information. **You must complete and return it within 14 days. If you do not**

complete and return the form, the law states that it is an offence punishable by a fine. The Council will not make an arrangement for payment without this information. The Council is not obliged to make arrangements to pay. However if one is made, the maximum period will be assessed based on each persons individual circumstances. Any arrangement would normally be to the end of the statutory instalment period (1st January). Any arrears must be paid in addition to the current year. Council Tax is a daily charge and an arrangement **will not** be made which allows the total debt to increase. If a liability order has been granted, the Council has the right to decide the next stage of enforcement. If an acceptable arrangement has been made, the Council will not take any further action. But if no contact is made or an arrangement has failed, the law allows for different types of action as detailed on the front cover.

Enforcement Action

Enforcement Agents are employed to take control of and remove goods for sale where appropriate. If the Council instructs the Enforcement Agent, it will cost you significant extra charges, contacting them early is important to minimise these charges.

ENFORCEMENT AGENTS CHARGES

Compliance Stage - £75.00

Fee is incurred by the debtor when the Council instructs the Enforcement Agents to collect your outstanding debt

Enforcement Stage - £235.00

Fee is incurred by the debtor upon the first visit by the Enforcement Agent

Sale/Disposal Stage - £110.00

Fee is incurred by the debtor upon a further visit with the intention to remove goods for sale

Please note an additional fee of 7.5% will be charged on any balance over £1500.00.

Attachment of Earnings

The Council can issue an Attachment of Earnings Order without having to go back to Court. The Liability Order allows the Council to do this. The amount of the deductions are not set by the Council but by the Government that provides a table of percentage deductions from net income.

Attachment of Benefit

The Council can apply for deductions to be made from a person's Income Support, Job Seekers allowance or Pension Credits.

Committal to Prison

The Council wishes to avoid committal wherever possible, but has a strict policy of taking such proceedings where no other form of recovery is appropriate. In the first instance the Council will apply for a summons for you to attend Court. This action will lead to substantial costs being added to your debt.

You must attend this hearing. If you do not attend, a warrant will be issued for your arrest.

At the hearing, the Council will apply for you to be committed to prison for non-payment.

You will undergo an enquiry as to your means. If the Magistrates' find you guilty of either Culpable Neglect (You did not pay and it is deemed to be your fault) or Wilful Refusal (you intentionally chose not to pay) they can choose to commit you to prison or to suspend committal on an order for payments.

The maximum sentence for each Liability Order is 3 months imprisonment. It is strongly

recommended that you take legal advice in advance of the hearing.

BANKRUPTCY

If a Liability Order has been granted and the total indebtedness to the Council is over £750.00 the Council can petition for your bankruptcy.

Should you be made bankrupt your personal finances will be handed over to a Trustee who will administer your estate. Your assets can include any interest in any home you own, personal pension, endowments and savings plans. It will inhibit your ability to obtain credit. The costs of obtaining a Bankruptcy Order and the subsequent actions of a Trustee can amount to several thousands of pounds. These costs would be deducted from the proceeds of your liquidated assets. A Bankruptcy Order can still be made even if you refuse to acknowledge the proceedings. You should therefore ensure that you do acknowledge any such proceedings and contact the Council immediately.

Debt problems

Carlisle & District Citizens Advice Bureau

gives free, confidential, impartial and independent advice to help you solve problems. If you do get into financial difficulties, get advice from the bureau as soon as you can.

You can contact them by telephone on (01228) 633909.

Contact Carlisle City Council

If you have received a Bill or Reminder call the Customer Services Section on (01228) 817200. If you have received a Final Notice, Summons or Notice of Liability Order and are unable to pay in full as demanded please telephone the Recovery Section on (01228) 817455.