



London Borough of Sutton

Council Tax

Collection Policy

Introduction

It is the Council's duty to maximise Council Tax income for the benefit of all residents living in the London Borough of Sutton. The Council maintains a 'firm but fair' approach to recovery and enforcement; striking a balance between the need to sustain and improve the collection rate, meeting our core values and aims for the borough residents, and meeting Central Government requirements.

The Council has a legal duty to collect Council Tax. Recovery practices must be efficient and economic. Delays in collection or non-recovery of debts leads to high administrative costs and results in lower resources available for London Borough of Sutton services with higher charges being passed on to other residents. The Council acknowledges that late or non-payment of Council Tax happens for a variety of reasons and many residents do not make payments by the due date. Regular late-payment and non-payment by residents costs the Council thousands of pounds annually. These sums could be used to provide more services or reduce the overall cost of Council Tax for everyone. Therefore, we will diligently pursue those residents who pay late or do not pay at all, in order to maximise income and minimise the effect of increased costs

Sutton Council understands that some residents are experiencing financial pressure through reduced income, increasing inflation and energy costs and that this may lead to more difficult collection of Council Tax. However all Council Tax payers can be assured that Sutton Council will endeavour to maximise the collection of Council Tax by;-

Putting Residents First

The Council will ensure that officers involved in the collection and enforcement of Council Tax are polite, professional, helpful and fair at all times.

All Council staff undertake a prescribed period of training prior to becoming involved in the collection and enforcement of Council Tax. This training includes dealing with customer enquiries. The Council expects all staff to be polite, professional, non-judgmental and helpful when dealing with enquiries from Council Tax payers. To ensure that this happens on an ongoing basis, the Council will monitor staff and carry out regular appraisals and reviews and provide regular support, advice and where appropriate, training.

Any Council Tax payer who experiences unprofessional or discourteous behaviour from a member of staff, or any agent acting on their behalf can make a complaint by following the Council's complaints policy, which can be found at <https://www.sutton.gov.uk/index.aspx?articleid=15242>

Information and Advice

Provide clear and prompt information about bills and liabilities

The Council will issue bills and adjustment notices promptly and in accordance with the Council Tax (Administration and Enforcement) Regulations 1992.

All correspondence about Council Tax will be in plain English and contain details of how to pay, when to pay by, how to access the Council's website for more information on Council Tax and how to contact the Council if further assistance is required.

Where reminder notices are issued, customers will receive an information leaflet included, which explains what happens if council tax is not paid on time and explains what to do to avoid further enforcement action and incurring additional costs.

Provide relevant and timely information on the Council Tax Reduction Scheme and other Council Tax discounts and exemptions and encourage take up.

Information will be provided, through a variety of means on the Council Tax Reduction Scheme and other discounts and exemptions. Amended bills and notices showing these reliefs will be produced as soon as practically possible after the account has been adjusted.

Working with Advice Agencies to offer timely support and guidance to those experiencing difficulties in paying their Council Tax.

For those experiencing difficulty in paying their Council Tax, the Council may refer residents to non-fee paying Advice Agencies for advice and support (see Appendix A)

The Council will work with these Agencies and the Council Tax payer, in specific cases, and will be willing to negotiate payments at any point in the process and/or withhold action for a period of time to allow for an affordable and sustainable payment plan to be arranged.

Good practice guidance

The Council will always act in accordance with the relevant legislation covering Council Tax Administration and Enforcement.

Council Tax was introduced by the Local Government Finance Act 1992, with effect from 1st April 1993, and it is collected in accordance with the Council Tax (Administration and Enforcement) Regulations 1992.

Sutton Council will collect Council Tax in accordance with the Guidance to Local Councils on good practice in the collection of Council Tax arrears (Department for Communities and Local Government May 2013).

Enforcement Agents employed by the Council will act in accordance with the National Code for Enforcement Agencies.

Collection and Enforcement

Offering flexible payment solutions and payment dates.

To help residents pay their Council Tax the Council offers a variety of payment methods and for customers paying by direct debit a range of payment dates

The Council's preferred method of payment is by Direct Debit as it is the most secure for the customer and the least expensive for the Council. The Council encourages all Council Tax payers to pay using this method.

Alternative payment methods for those who prefer not to pay by Direct Debit include:-

- On-line via the Councils website www.sutton.gov.uk/payforit
- By phone using the 24 hour payment line 020 8770 7887
- At the Civic offices self-service kiosk
- Via a Payzone outlet - www.payzone.co.uk/Store-Locator

While the Council will accept cheques Council Tax payers will be asked if they are able to pay by direct debit or an alternative payment method listed above, in the first instance.

For Direct Debit Payers the Council offers a choice of four monthly payment dates - the 1st, 8th, 16th or 23rd.

For Non - Direct Debit payers, the payment date is the 1st of the month

Council Tax can now be paid over 12 months rather than 10 months. Residents should contact us if they wish to spread their bill over the full 12 month period.

Payments can be made weekly or fortnightly, on request, but the payment frequency will be calculated so that it totals the sum of one monthly instalment.

Distinguishing between those who will not pay and those who are experiencing difficulties in paying, tailoring any further action accordingly

The Council endeavours to take individual circumstances into account before proceeding with recovery action against Council Tax payers and those, identified by the Council, as requiring the maximum time available to pay e.g. those in receipt of Council Tax Reduction, will be given this. However, if a Council Tax payer is experiencing difficulty in paying, they should seek assistance immediately by contacting the Council. Council staff are trained in obtaining the relevant information

to assess a person's ability to pay and make affordable arrangements in line with their circumstances.

For Council Tax payers who are able to pay but refuse to do so or fail to contact, the Council will, implement the enforcement procedure

Taking prompt action in cases where payment is not made or is late, to prevent arrears occurring

Enforcement is a necessary and important part of the Council's activity as every penny of Council Tax that is not collected could result in a higher Council Tax for the citizen who does pay on time. Additionally, when Council Tax is paid late then there is a financial impact on the Council which may affect the services the Council is able to deliver.

For those Council Tax payers who are unable to pay on time early contact with the Council is essential to avoid arrears and prompt payment at the outset will avoid costs becoming payable.

At the beginning of April each year the Council produces a timetable for recovery action to be taken against Council Tax payers who have not made payment or where payment is late.

Before the Council issues a "Reminder" notice for payment, to all those Council Tax payers who do not pay on the due date, it may send a text message or if vulnerability is known make a visit to prompt payment. The "Reminder" notice, once issued, will require payment within 7 days and where this happens, will allow Council Tax payers to continue to pay monthly. Failure to make any payment at this stage will result in a summons being issued.

The Council will, at each stage, provide full information about what the Council Tax payer can do to avoid this situation and where they can go for help and advice.

Taking enforcement action as a means of securing payment in the fairest and most effective and efficient way

Where, following reminders and final notices, payment of Council Tax is not brought up to date or paid in full, the Council will apply to the Magistrates Court for the issue of a summons for non-payment which will include costs of £110.00.

The Council will take all reasonable steps to encourage payment before obtaining a Liability Order. However, if there has been no contact from the Council Tax payer and payment in full is not made then the Council will ask the Magistrates Court to grant a Liability Order to secure the debt including costs of £110.00. The issue of a Liability Order will incur a further £20.00 costs

Where the Magistrates Court grants a Liability Order the Council will, in accordance with the legislation, consider the most appropriate means of collecting the debt which could involve recovering this money from ongoing benefits or earnings, asking an

Enforcement Agent to visit to obtain payment or as a last resort placing charging orders on property.

When a Liability Order has been granted the Council will request details of the debtors employer and their income and expenditure in order that the most efficient and effective way of collecting the debt can be identified.

In cases where details of income and expenditure are not received within 2 weeks of the request, the Council will, in accordance with the legislation, consider taking further Court action to obtain the information, which may result in a fine of up to £500. Additionally, the Council may have no other option than to organise referral to an Enforcement Agency.

Enforcement Action for recovering Council Tax arrears

The Council, in accordance with the legislation, will refer cases to an Enforcement Agency for collection but before this happens the Council will give advance notice, including what the costs involved will be. However, the Council realise that this action can be distressing to the debtor and have a strict conduct code (see Appendix B) which is monitored through service review meetings with managers.

The Enforcement Agents will ask for payment in full or make an appropriate, reasonable payment arrangement and will act in accordance with the National Standards for Enforcement Agents (available at www.justice.gov.uk).

The Council recognises that when they become aware that a Council Tax payer is potentially vulnerable enforcement action will not be used. Where enforcement action has already started and the Council subsequently become aware that the Council Tax payer is potentially vulnerable, then enforcement action will cease.

Charging Orders and Forcing Sale.

The Council is committed to only consider this option as a last resort, i.e. when all other efforts to collect the debt have been exhausted and the debtor has a history of failing to fulfil payment arrangements. It should be noted that these options will not be considered where direct deductions from benefits are available.

- The legislation allows the Council to consider issuing a charging order on a debtor's property where the total debt exceeds £1,000. However, the Council will only take this action where the debt has reached the value of two years of band D property (in excess of £2,800.00).
- A charging order is placed on the property, owned by the debtor, allowing the Council to recover the outstanding council tax debt when the property is sold.
- Once a charging order is placed on the property, if the council tax arrears continue to increase then the Council may consider issuing order for sale proceedings. This could result in the forced sale of the property with the council tax debt being paid out of the proceeds of the sale. This action will only be taken when appropriate and after a full investigation.

Equalities and Vulnerability

Treating all citizens fairly and remain committed to ensuring that individuals are not discriminated against on the grounds of gender, gender reassignment, colour, race, nationality, ethnic or racial origins, disability, marital status, sexuality, trade union activity, age, political or religious beliefs.

The Council's Equality and Diversity Policy will be followed at all times. You can find a copy of the policy at <https://www.sutton.gov.uk/index.aspx?articleid=18679>

Recognising vulnerability

A debtor may be vulnerable or at risk of being vulnerable for a number of reasons including changes in their needs or circumstances especially if they are faced with a particularly urgent or complex issue. The Council recognises this at therefore it commits itself and all parties carrying out arrears collection activities to:

- Identifying and recognising signs of vulnerability in the debtor or their dependents so that debtors who are at risk of detriment or disadvantage can be offered a fair and good quality service which can be adapted to suit their particular needs and abilities;
- Ensuring that information required by all debtors and other service users is available in accessible formats
- Ensuring communication is in plain English (whether written or spoken) and easily understood and adapted to the needs of debtors and other service users.
- Ensuring that staff dealing directly with debtors and their representatives are able to identify potential debtor vulnerability using a “risk factors” and “triggers” approach.
- Recognising “risk factors” that can cause residents to be vulnerable for short or long periods and that the severity of these can fluctuate over time depending on context, or on personal circumstances. "Triggers" are signs that residents might be having some kind of difficulty and/or need additional assistance. They might be things that the resident says or does that might indicate that further investigation is needed.

Although not an exhaustive list, common risk factors are:

- a) age, especially those over the age of 70 or over 60 and in sheltered accommodation;
- b) disability or other impairment;
- c) mental health issues;
- d) long term or serious illness;
- e) low income, e.g. those who are unemployed and/or on benefits;
- f) poverty and hardship;
- g) a sudden change of circumstances, e.g. bereavement, divorce, illness, loss of

- employment, recently having given birth or adopted
- h) poor basic skills: literacy and numeracy;
- i) caring responsibilities;
- j) single parent families;
- k) pregnant women;
- l) difficulty in understanding, speaking or reading English;
- m) recently having left the armed forces;
- n) recently being released from a custodial sentence;
- o) recently suffered or suffering domestic violence;
- p) being in a refuge or safe house.

Council staff are trained and supported so that they are able to identify the needs of individuals and the presence of any risk factors that could affect their access to Council services. Staff understand that not everyone with particular risk factors will necessarily be vulnerable in any or all circumstances. The Council ensures that staff are able to identify, without intrusive questioning, the needs of individual debtors in a range of ways, such as:

- Checking the debtor understands and can act on the information provided
- Determining whether the debtor has any particular requirements or preferences for communication;
- Establishing whether the debtor is able to access the various services offered such as payment facilities or has any particular requirements for doing so;
- Establishing whether the debtor has any particular requirements regarding the format of bills and information materials

When Council staff have identified a debtor or one of their dependents who could be vulnerable they will establish the cause of the problem and offer relevant help and assistance to provide a solution.

The Council recognises the Common Financial Statement as a standard tool to assess the affordability and sustainability of proposed payments by debtors and will accept it to determine the recovery process in individual cases. The Common Financial Statement is a standard budget format which helps creditors, advisers, and people with debt get a clear picture of an individual's or household's financial situation.

The Council will signpost debtors to independent advice agencies and services in all literature and correspondence relating to arrears it sends to debtors to promote independent external debt advice.

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