Westminster City Council
Council Tax Recovery Process

1. Introduction

The City Council will undertake billing and recovery of unpaid Council Tax in accordance with the Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992. This process includes the service of a bill, reminder notice, final notice, the issue of a summons and application for a Liability Order

The Council's recovery process will cease if the council taxpayer:-

(1) Pays the council tax in full (including costs)
(2) Agrees (and adheres) to a payment agreement with the City Council's Council Tax service.
(3) Is found not to be liable for the Council Tax as demanded

It is important that the Council uses the available statutory recovery options to ensure that Council services can be provided and to protect the wider council taxpayers from increases in Council Tax caused by non-payment of others

2. Post Liability Order Recovery Options

Once a Liability Order has been granted by a Magistrates Court, the Council must serve a Liability Order notification on the Council Taxpayer, which will include a request for information in relation to the Council Taxpayer's circumstances (a "Regulation 36" notice).

The City Council can choose to undertake any of the following recovery options:-

- To instruct enforcement agents (bailiffs)
- To attach benefits
- To attach earnings
- To apply for a charging order
- To seek to make the Council Taxpayer bankrupt for debts greater than £5K
- To seek to make the Council Taxpayer (if a company) compulsory wound-up for debts greater then £750.00.
- To seek the Council Taxpayer's committal to prison (there must have previously been an unsuccessful action undertaken by the Council's enforcement agents).

The Council will consider each case on its own merits based on the information available.

2.1 Instruction of Enforcement Agents

This is likely to be the default recovery method if the debtor has not contacted the Council.

2.2 Attachment of Benefits

If the Council has been advised that the Council Taxpayer is in receipt of a benefit payment which can be subject to an attachment the Council will request that the Department of Works and Pensions (DWP) to deduct a weekly sum from the Council Taxpayer's benefit, which is then remitted to the Council on a 4-weekly basis. The current weekly deduction is **£4.25 (2023-24 rate),** and this process can only be implemented against one Liability Order at any given time.

The benefits that may be attached are:- 'Income Support (IS), Job Seekers Allowance (JSA), Employment Support Allowance (ESA), Pension Credit (PC) and Universal Credit (UC).' Deductions are implemented under Regulations 32,37 and 38 to 42 and Schedule 4 of the Council Tax (Administration and Enforcement) Regulations 1992.

2.3 Attachment of Earnings

If the Council has been advised of the Council Taxpayer's employment details notifications are sent to the Council Taxpayer's employer outlining their obligations to make deductions. The debtor is also issued with the notification to ensure that they have been made aware of the attachment. Up to two Liability Orders can have deductions from earnings in place at any point in time. The amount that is deducted is a fixed percentage as outlined in the Regulations and is dependent on the debtor's net earnings. The percentage deduction from net earnings can be up to 17%.

2.4 Charging Order

Where the Council Taxpayer has a freehold or leasehold interest in their property subject to any existing charges held against the property, the City Council may seek to secure the Council Tax debt against the property via an Order of the County court. Once a Charging Order has been obtained the Council can decide to seek an Order of Sale.

2.5 Bankruptcy

Where a debtor is unable to pay their debts, they are insolvent. The amount of Council Tax due is deemed a debt for the purposes of S267 of the Insolvency Act 1986. The City Council will consider the circumstances and vulnerability of any occupants of the property (see section 3).

While the bankruptcy debt will be in the hands of the Trustee in Bankruptcy, the Council Taxpayer will become personally liable for the Council Tax again from the following financial year, assuming that they remain in the property.

2.6 Compulsory Winding-up of a Company

This action can may be taken where the Council Taxpayer is a limited company

2.7 Commlttal to Prison

The City Council does not use this recovery option due to the level of cost involved (court costs and resources) against the limited financial benefit.

3. Councll Assistance

Whilst it is important to maximise the collection of Council Tax debt, it is equally important that vulnerable members of our community ara protected. The Council works closely with our enforcement agencies and debt advice agencies to identify and support vulnerable people and households, in order that an individual's circumstances can be taken into account. Individuals who may be vulnerable include those who are:

- the elderly, frail or confused
- suffering a physical, or sensory or learning disability
- ara seriously ill
- in the latter stages of pregnancy
- under eighteen or a care leaver
- suffering mental health illness
- recently **bereaved**
- have difficulty in understanding English

When contacting the Council Tax office, all council taxpayers will be assisted to ensure:-

- ► the resident is claiming all Council Tax discounts / exemptions which they may be entitled. Information may be found by visiting Council Tax discounts and exemptions | Westminster City Council
- ► the resident is claiming Council Tax Support. information may be found by visiting Contact us about Housing Benefit and Council Tax Support | Westminster City Council
- ► the resident is aware of the Council's cost of living hub Cost of living support hub and strategy | Westminster City Council and advice agencies such as Citizens Advice Bureau (CAB), Step Change, Money Advice Service, National Debt line etc.
- ► a long-term payment arrangement is offered where this will **avoid** hardship. The City Council also complies with Breathing Space notifications
- ► the resident is referred to other Council Services (e.g. to Adult Social Care), referrals to Police or Mental Health Referrals where appropriate
- ► an award of a Council Tax Hardship Allowance {Section 13A allowance) is considered and awarded if appropriate

Section 13A Council Tax Discounts

A resident may make an application for a reduction in their council tax under a S13A. The award is discretionary. The funding of a Section 13A discount is met in full by the Council impacting on the finances for services and future Council Tax levels. All requests are considered on their individual merits.