



**West
Northamptonshire
Council**

**Council Tax Overview
Adult Social Care and Health
Overview and Scrutiny
Committee
17 January 2024**



What we will cover

- Overview of Council Tax
- What services does Council Tax fund?
- How much Council Tax do we aim to collect.
- Liability for Council Tax
- Billing and Recovery
- Enforcement Agents
- Vulnerable Residents and support

Overview of Council Tax

- Council Tax was introduced by the Local Government Finance Act 1992 and came into effect from 1st April 1993.
- It is levied on domestic properties in England, Scotland and Wales.
- Each financial year, West Northamptonshire Council sets the Council Tax to take into account the budget requirement and is responsible for the levy, collection and recovery of Council Tax.
- West Northamptonshire Council collects Council Tax on behalf of ourselves and other precepting authorities:
 - The Police, Fire and Crime Commissioner for Northamptonshire.
 - Town and Parish Councils within West Northamptonshire Councils boundaries.
- The income that the Council collects from Council Tax helps to provide essential services to our residents such as social care for vulnerable people; and support for children, young adults and elderly people. It also helps fund waste, recycling, schools, libraries, leisure centres, street cleaning and much more.

How much we collect



West Northamptonshire Council collects Council Tax for in excess of **181,000** residential dwellings.



For **2023/24** The amount of Council Tax Charged for collection is in excess of **£309m** of which £240m is retained by WNC. The collection rate target is 98%.



Every 1% of the Council Tax charged equates to **£3m of which £2.4m is kept by WNC**



Liability and Reductions available

- **Who is liable for Council Tax?** Usually the person/s in occupation/owner of a dwelling in the valuation list, will be liable for Council tax if aged 18 or over. If the dwelling is unoccupied the Council will determine who should be liable in line with legislation.
- **Discounts/Disregards/Exemptions** There are reductions available of up to 100% for certain circumstances as long as the appropriate qualifying criteria is met. The most common reductions are sole occupier discount (25% discount), Student Disregards (25% discount), All Student Occupier Exemption (Class N Exempt), Unoccupied dwelling due to person now living in a residential care home (Class E Exempt).

Billing and Recovery

- A **demand notice** for the dwelling is issued to the liable party at the start of the their liability and then each future financial year.
- Council Tax payers have the right to pay in either ten or twelve instalments. However, they can lose this right and be required to pay the entire bill at once under the following two circumstances:
 - Where a **reminder notice** has been issued for an instalment, but the tax-payer has failed to pay the instalment within seven days of the issue of the reminder notice.
 - Where the tax-payer has been issued **two reminder notices** in the current financial year and they miss the deadline for the instalment for a third time.
- Once the tax-payer has lost the right to pay by instalments a Court Summons will be issued for a Liability Order hearing at the Magistrates Court, this will incur costs of £100.00 and be added to the amount of Council Tax outstanding.
- At this stage an arrangement can be made with the tax-payer to pay the balance including costs by instalments, no further recovery action will take place as long as the arrangement is maintained.

Once a **Liability Order** has been granted by the Magistrates Court, the following recovery options are available to West Northamptonshire Council to recover the outstanding Council Tax and costs.

- **Attachment of Earnings** – An order is sent to the tax-payers employer requesting they make deductions from their earnings and pay us directly until the balance of the Liability Order is clear. Deductions from the tax-payers earnings will be a percentage of their net pay in line with Schedule 4 of The Council Tax (Administration and Enforcement) Regulations 1992.
- **Attachment of Benefits** - We can order the DWP to deduct a regular amount directly from any of the qualifying benefits listed until the Liability Order is clear:

Jobseekers Allowance

Income Support

Income-related Employment and Support Allowance

Pension Credit

Universal Credit

Enforcement Agents can be appointed to collect outstanding Council Tax once a Liability Order has been obtained. Additional costs will be incurred and are payable to the Enforcement Agents as detailed below:

- A compliance fee of £75.00 for each liability order obtained. This fee is incurred at the point we pass the debt to the Enforcement Agent for collection.
- If the tax-payer does not make payment or contact the enforcement agent immediately, the enforcement agent may visit the tax-payers property. This will incur further enforcement fees of £235.00.
- If the debt is over £1,500 the fee will be higher, as they charge an extra 7.5% on any balance over £1,500.

Sometimes it is necessary for the enforcement agents to sell tax-payers goods. If so, they will have to pay a further £110.00 fee, plus an extra fee of 7.5% on any balance over £1,500.

Once a Liability Order has been obtained and other recovery options have been exhausted the Council can consider the following higher level recovery options:

Bankruptcy and Insolvency – If the outstanding debt on the Liability Order is over £5000 this allows us to enforce either bankruptcy proceedings against an individual or, insolvency proceedings in the case of a company.

Charging Order - A liability order will allow us to make an application for a charging order on a property where the amount outstanding is at least £1000, and the tax-payer has a legal interest in the property. A charging order secures the amount of council tax owed against the property. If the tax-payer sells or transfers a property, the council tax debt is paid in full before the tax-payer receives any proceeds of the sale. The tax-payer is not under any obligations to sell their property once the charging order is in place. But, in some circumstances, we may apply to the court to force the sale of the property.

Vulnerable Residents

West Northamptonshire Council has a vulnerable person's policy. Although there is not a universally agreed definition of vulnerability, within the policy is a list that identifies characteristics of people who we consider to be vulnerable. We will consider a customer's individual circumstances where a potential vulnerability is identified to consider holding recovery action until the full details are known. Appropriate course of action and obtaining further support will then be decided/arranged.

- Disabled people
- People with mental impairment or learning difficulties
- People experiencing serious illness, including mental illness
- Unemployed people
- A person who has clear difficulty understanding English
- People aged under eighteen
- People of state retirement age or over
- A Person recently bereaved
- Lone Parents
- Pregnancy
- A person that has difficulty reading or writing
- People on low incomes

Help and support available

- **Council Tax Reduction** is a means tested support to help those on low income pay their Council Tax. It can be claimed if the tax-payer is already claiming other benefits such as Job Seekers Allowance, Income Support or Universal Credit. The tax-payer may also be able to claim if they are working but on a low income. Claim forms can be found on our website <https://www.westnorthants.gov.uk/council-tax-reductions-discounts-and-exemptions/apply-council-tax-reduction>. Paper forms are also available
- **Council Tax Hardship Payments** are available to those who are experiencing exceptional financial hardship and offers discretionary help with Council Tax by means of a credit to Council Tax account). The budget for this is limited and are funded by the Council from our own funds. The decision to make a hardship payment is at our discretion and help available is for a set period and amount. Claim forms can be found on our website <https://www.westnorthants.gov.uk/council-tax-reductions-discounts-and-exemptions/apply-council-tax-reduction> or paper claim forms are available.
- **Internal WNC Debt and Money Advice team.** The team offer a confidential and free service to our residents on debt and money matters.
- **Voluntary sector**