

**EASTBOURNE BOROUGH COUNCIL
COUNCIL TAX AND BUSINESS RATES
COLLECTION AND RECOVERY POLICY**

Contents

1. Background
2. Aims of the policy
3. Billing procedures
4. Payment methods
5. Collection procedures
6. Enforcement procedures
7. Write-Off
8. Court costs

1 Background

Council Tax is the contribution made by the residents and owners of domestic properties in the Borough for the many services Eastbourne Borough Council provides such as collecting rubbish, providing housing, funding for the police and fire services, schools and social services.

The level of Council Tax payable by residents in the Eastbourne area is decided annually and consists of a contribution towards services provided by East Sussex County Council, Eastbourne Borough Council, The Police and Crime Commissioner for Sussex and East Sussex Fire and Rescue Service.

Business Rates is also known as National Non-Domestic Rates (NNDR) and is a tax that is charged on properties that are used for a wide range of purposes, which does not include domestic or residential use. Examples of properties, which are subject to a Business Rates charge include shops, factories, offices and beach huts. The Council does not keep the money that is for Business Rates. The Council gives the money directly to the Government. All Business Rates collected in England is put into a central pool. The money from the pool is distributed back to Councils by the Government, according to how much they feel is needed to contribute towards the services that we provide.

2 Aims of the policy

1. To bill customers accurately and in a timely manner
2. To help customers get the discounts and exemptions they are entitled to
3. To comply with relevant legislation
4. To take into account guidance and best practice
5. To collect taxes due in a fair and efficient manner
6. To provide payment methods that are convenient to the taxpayer
7. To discharge the Council's duty in relation to the recovery of Council Tax and Business Rates
8. To take recovery action taking into account individual's circumstances as far as practicable
9. To make use of distress or committal only as a last resort
10. Treat individuals consistently and fairly, regardless of age, sex, gender, disability, race and sexual orientation, and;
11. Protect individual rights under Data Protection and Human Rights Legislation

3 Billing procedures

The Council will send out annual demand notices (Bills) in advance of the 1st of April each year. The bill will tell the taxpayer how much they have to pay, what their instalments are and the date they are due.

Council Tax and Business Rates payers are entitled to pay their annual charges over 10 equal instalments. In Eastbourne we collect the 10 instalments on the 1st, 5th or 7th day of each month from April to January of the following year. Council Tax Direct Debit customers are offered a range of payment dates (1st, 7th, 15th or 25th).

The taxpayer can request, in writing, to pay over 12 months. The number of instalments reduces during the course of the year

The Council has discretion to offer alternatives to the statutory 10 monthly instalments. Acceptable alternatives schemes are:

- Twice-yearly payments (April and October)
- Annual payments (April)
- Weekly payments (April to January)
- Fortnightly payments (April to January)

The Council will produce clear and understandable documentation. Bills and Recovery Notices will show clearly how much to pay and when the payments are due.

4 Payment methods

The Council offer a variety of payment methods to suit individual taxpayer's circumstances. The following methods of payment are available to Council Tax payers:

- Direct Debit
- On-Line with a debit or credit card
(www.eastbourne.gov.uk/council/tax/payments)
- Via an automated telephone service
(Tel: 01323 649358)
- Standing Order and Internet Banking

- Via a payment card at a Post Office or certain Retail outlets
- By cash, using our automated kiosk at 1 Grove Road
- By cheque or postal order – we will not send a receipt.
- By deduction from salary or allowance for Council employees and Council members

Business Rate payers can use any of the following:

- Direct Debit
- On-Line with a debit or credit card
(www.eastbourne.gov.uk/business/rates/how-can-i-pay)
- Via an automated telephone service
(Tel: 01323 649358)
- Standing Order and Internet Banking
- By cash using our automated kiosk at 1 Grove Road
- By cheque or postal order – a receipt will not be issued.

The Council promotes Direct Debit as its preferred method of payment. Paying by direct debit can be the most convenient method for many taxpayers. It is reliable, easy to set up and cancel, and is backed by a refund guarantee. The Council will offer additional payment dates to taxpayers who choose to pay by direct debit.

5 Collection Procedures

The Council are under a statutory duty to collect Council Tax and Business Rates. The majority of taxpayers pay their instalments on-time. For those that don't, there is statutory recovery process the Council will adhere to.

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 other Council services with higher charges being passed on to other residents.

1st Reminder

The Council will issue a reminder if an instalment is not paid within seven days of the date it is due. For Business Rates this is known as a Further Notice. If payment of the amount due is made within seven days, the taxpayer retains the right to pay by instalments. If not, the full amount payable for the year becomes due and the Council will issue a summons for the taxpayer to appear at the Magistrates Court.

2nd reminder

For Council Tax if an instalment is not paid within seven days of the date it is due for a second time the Council will issue a reminder. If payment of the amount due is made within seven days the taxpayer retains the right to pay by instalments. If not, the full amount payable for the year becomes due and the Council will issue a summons for the taxpayer to appear at the Magistrates court. For Business Rates this Notice is referred to as a reminder notice.

Final Notice a third instalment is missed the full amount becomes due and the right to pay by instalments is lost. The Council will send the taxpayer a final notice demanding the full amount due. For Business rates payers there is no requirement to issue a 3rd reminder notice/final notice.

Summons

If a taxpayer has lost the right to pay by instalments and the full debt is not paid a summons will be issued for the taxpayer to appear before the Magistrates Court.

If the debt plus costs is paid prior to the court date the summons will be withdrawn.

The Council will, at all times, try to help customers who are experiencing difficulties in paying. Wherever possible we will try to distinguish between those who cannot pay with those who will not pay, or are deliberately withholding, delaying or giving false information in respect of paying Council Tax.

The Council will provide details of where taxpayers can go for help and advice, for example the Citizens Advice Bureau.

The council will hold summons surgeries at 1 Grove Road prior to the Magistrates Hearing.

6 Enforcement Procedures

If a taxpayer has lost the right to pay by instalments and the full debt is not paid within 7 days the Council will seek to gain a liability order from the Magistrates Court for the amount of Council Tax outstanding plus costs.

If the Magistrates grant a liability order this gives the Council the power to collect the debt by the following methods:

- Attachment of earnings
- Attachment of certain state benefits
- Attachment of councillor's allowances
- Distress
- Charging Order
- Bankruptcy
- Committal

The Council will only use Distress (ie instructing bailiffs) when other available options are exhausted.

The Council will only look to committal as a remedy as a last resort.

In the case of a Business Rates debt the options open to the Council are:

- Distress
- Insolvency
- Committal
- Charging Order

7 Write-Off

There will be occasions when the only option open is to write-off the debt. This may occur when:

- The debtor is deceased and there are no assets in the estate to pay the debt
- The debt is so small it is uneconomical to pursue
- The debtor is deceased and there are insufficient funds in the estate
- The debtor has left the property and the Council is unable to trace them
- There are humanitarian grounds on which to make the decision not to pursue the debt
- The company (in the case of Business Rates) had gone into administration and there is no possibility of recovering the debt
- The debtor is subject to Committal proceedings and the Court have considered reasons for non-payment and ordered the Council to write off the debt

Powers to write-off debt are delegated to the Revenues & Benefits Manager, Revenues Manager and Senior Recovery Officer.

8 Court Costs

The Council are allowed to charge costs reasonably incurred in obtaining a liability order. There is no level of cost set by legislation and it is up to the Council to decide what the cost should be.

The Senior Head of Community, in consultation with the Portfolio holder for Community Services, will, by delegated powers, set the level of the costs.

Agreement to the level of costs will be sought from the Magistrates Court.

Consideration to waiving Summons costs may be given in the following circumstances:

- If payment can be proven/shown to have crossed with the issue of the summons
 - Where the Summons was issued incorrectly
 - Where the customer has written to us with a relevant enquiry or complaint and we have not yet dealt with the matter
 - In some limited instances where we will use our discretion to waive costs in full or in part. However, this would only be applicable in cases of extreme hardship or where the particular circumstances of the customer would make it inequitable or wrong not to do so.
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