



24 Hour IVA Helpline 0800 876 0999
0161 790 0166

GUIDE FOR COUNCIL TAX ARREARS

Paying Council Tax Arrears

If there are outstanding payments, you must communicate with your local council on how to repay these debts. It is custom that any arrears are usually repaid within the current financial year, with the year-end March 31st. In most cases it is likely you will have to pay on top of your current monthly payments to relinquish the arrears.

What if you can't afford the council tax arrears?

This must be discussed with the council and it is possible an arrangement can be made to increase your length of repayment at an affordable figure. This adaptation can occur if your income has changed due to unforeseen circumstances such as illness.

Stay on top of your Tax Bill

Discounts:

You could well be entitled to a discount rate on your tax bill if you are living alone or are the only person accountable for the payment. In addition to that you may be entitled to a reduction on your council tax bill if your income is in below a certain figure.

Discounts on your council tax bill will occur if either you, or the person you are living with, have a disability. Furthermore having a full-time carer or an individual who has a severe mental impairment can entitle you. A disability reduction could also occur if your residence has been modified for disability reasons.

Second Adult Rebate:

This is applicable if an individual lives with a second person that is not their partner. The individual must be 18 or over, not pay rent, not be accountable for council tax and have an income below a certain figure.

A form for any of the above can be located online or from your local council regarding council tax discounts or reductions.



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The Repercussions of not paying the arrears:

The repercussions of you not paying the arrears can result in the council applying to the local magistrates' court for a Liability Order leading to the court sending you a summons

What is the Liability Order?

- The order states that not only do you have to pay the outstanding arrears but also the entire amounts of council tax for that year. The council now has the authority through this order to make you pay or they can take further action.

What is a Summons?

A summons is a court document stating what the council believes you owe in arrears. The document will contain a date and time of the hearing at which they will come to an agreement whether to impose the Liability Order. Further costs may be added to cover the cost for the impending order.

How to pay off the debt?

Communication should be made with the council to find a solution to repaying the debts prior to the court hearing. The council potentially will allow you to pay via installments. If all concerned can agree a solution, the council may well drop the summons or possibly withdraw the court fees.

What if you disagree with the charges?

If you do not accept the charges, you must inform the council promptly and the argument for it. Depending on whether the council agrees with your argument, they can prevent the court action. If the council does not see your argument as fit to change the charges then you must appear at the court hearing.

The Liability Order hearing

The magistrates will determine who is accountable for the arrears and then make the Liability Order. There is no need for you to attend the hearing if you know you are accountable for the arrears.

Can you prevent the Liability Order?

If you think the charges against you are mistaken, at the hearing you will be given time to present this to the magistrates. You must have evidence to back your case including statements to show a bill which clearly identifies you were not at the address in question for that time period. Subsequently, once the magistrates have seen your evidence they will make a decision regarding the Liability Order and whether you are to pay the debts to the council.

What does the Liability Order allow the council to do?

- Affect your benefits from the Department for Work and Pensions.
- Communicate with your employer to take cuts from your salary.
- Declare you bankrupt (if the debt is in excess of £750)
- Send Bailiffs to your residence to withdraw possessions.
- Submit an application for a charging order (if the debt is in excess of £1000)

What is a charging order?

A charging order gives the council authority to sell your property to pay off the rest of the debts incurred for the council tax with the funds that are left over once the mortgage has been settled.

What else can the council do to get their money?

In a last case scenario, after a failed Liability Order and a Charging order to receive their money, the council can finally file a case with the magistrates for imprisonment, known as a Committal Warrant, which will lead to a Committal Summons. This usually occurs if the council deems you to be intentionally concealing money to prevent paying.

What is a committal summons?

This summons is for a hearing that will determine if you are sent to prison or not. If you do not attend you may well be arrested. You should attempt to find an agreement with the council prior to the hearing. Potentially the council can incur further costs on top of the current charges for the costing of the court summons and court hearing.

The Committal Hearing itself

The magistrates will delve into your financial situation as to try and clarify why you have not been able to pay, known as a means enquiry. You must explain to the magistrates from your point of view why you have not been able to pay. They will then make a decision to what extent you can pay off the debt and could even relinquish the debt completely.

Can you prevent a prison sentence at this stage?

If the magistrates conclude you have deliberately not paid or not made any attempts to pay a small amount, they can send you to prison. In most cases they install an order for you to be imprisoned but grant a period of postponement, if some regular installments of payment are made.

Can someone accompany you to court?

The simple answer is yes, but the court may not allow this individual to speak on your behalf, except if they are a solicitor. The court potentially could have a duty solicitor whom you can correspond with upon arrival.

Committal Order has been made, what next?

It is essential that you understand why the court has decided you must pay the arrears and when exactly you must pay your installments. You must abide to the payment plan agreed with the council. If anything changes that prevents you from making your payments, you must notify the council immediately in order to prevent your arrest and being re-summoned to court.