

Struggling with Council Tax Tips

If you're finding it difficult to repay your debts, National Debtline recommends prioritising some arrears and bills ahead of others. Council Tax is one of these debts and in this article it outlines your rights if you're struggling.

The amount of Council Tax you pay is based on two things: the value of your home (homes are placed in one of eight bands - A to H); and the number of adults who live in your home and their status.

Who pays what?

Only people over 18 can be made to pay the bill. If there is more than one person over 18 living in your home, the owner will normally have to pay the bill. Joint tenants and owners may have to pay even if their names are not on the bill. If you are married, live with someone as husband and wife, or live together in a same-sex civil partnership, both you and your partner will be responsible for paying the bill.

Sometimes the owner of a house will be responsible for the bill even if they don't live there. This is in homes which are classed as those in 'multiple occupation' (for example, bedsits). If you are not sure who is responsible for the bill, contact us for advice.

Can I reduce my bill?

You may get a reduction if someone living in the house has a disability. Apply to the council for this. Only some properties will qualify. Contact a local welfare rights agency or contact us for advice.

You will get a discount if you are the only adult in the house or if you share your house only with people who are not taken into account, such as a full-time student or student nurse; an apprentice or someone on a youth training scheme (certain ones apply); or someone with a mental disability who is getting certain disability benefits.

Tell the council if you think you may qualify for a discount.

You may be able to claim Council Tax Benefit if you are on a low income with less than £16,000 in savings; or you are on Income Support, Pension Credit, Jobseeker's Allowance, Employment and Support Allowance or other benefits.

You may get help with paying all or some of the bill by claiming Council Tax Benefit. Contact the local council for an application form. You may be able to claim a rebate called 'Second Adult Rebate' if you share your home with someone on a low income who does not pay rent and is not your husband, wife or partner; and you don't already get a discount for them.

If you are in this situation, the council should work out if you are better off claiming your own Council Tax Benefit or getting the Second Adult Rebate.

Appealing against Council Tax decisions

If you feel your Council Tax Benefit has been worked out wrongly, you can write to the council and ask for a review. If you are not happy with the outcome, you can appeal against the decision to an independent tribunal within a month of the review decision.

However, you can only appeal if you think a mistake has been made. If you feel that your home is placed in the wrong band, you may be able to appeal to the Local Valuation Office Agency. This address should be on your Council Tax bill.

For more information about who can appeal, contact a local welfare rights agency or contact us for advice.

What happens if I don't pay?

The council will usually tell you to pay your bill in ten monthly instalments but they may accept weekly payments. If you find at any time that you can't pay the full monthly instalment, don't just stop paying!

If your circumstances have changed, you may now qualify for Council Tax Benefit, so claim now.

Keep paying what you can afford. Contact the council and try to come to an arrangement. Use your [personal budget](#) to help explain your situation.

Liability order

If you don't keep to any payment arrangement you make with the council, they will ask the magistrates' court to make a 'liability order' for the full amount they say you owe, plus court costs.

The order states that you are due to pay your Council Tax and have not done so. The court must make the liability order unless:

- the council has not gone through the proper procedures;
- you have paid the amount owed;
- the name on the summons is wrong.

If one of these applies to you, tell the council immediately and go to the court hearing. You should get 14 days' notice of the hearing.

You can ask the court to adjourn (put off) the liability order hearing in the following circumstances:

- if you have applied for Council Tax Benefit
- if you have appealed to a valuation tribunal because you don't agree you are legally responsible for the bill or you don't agree with the amount of the bill.

The court does not have to adjourn the hearing but they may agree to it.

If the council has not taken you to court for a liability order within six years of you becoming due to pay your Council Tax, they cannot continue to collect the debt. This depends on when the council served a demand notice on you.

Methods of enforcement

Contact the council to agree a payment arrangement. If you do not pay, there are a number of ways the council can make you do so.

The council can demand that you and your husband, wife or partner give them details of your financial circumstances. You can be fined for not giving this information.

Deductions from wages

If you are employed, the council can order your employer to take a fixed amount from your wages to pay the Council Tax you owe. This is called an 'attachment of earnings order' and it can mean a large amount of your wages is taken and sent to the council. Deductions are made on a sliding scale depending upon how much you earn.

If you owe more than one year's Council Tax, you can have a maximum of two attachment of earnings orders. Normally payments are taken one at a time. If this will cause you hardship, you can ask the council to accept smaller voluntary payments instead. Explain to the council why you cannot afford the higher amount.

The council does not have to agree to let you pay less but it is worth trying. If the council does not agree, contact a local advice centre, your local councillor or contact us for advice.

Distraint

The council can ask bailiffs to visit your home and take goods which may be sold to pay off your debt. They must send a letter giving two weeks' notice telling you that bailiffs will call and how much you still owe under the liability order.

The bailiffs are not allowed to take certain basic household goods. They could take your car if it is parked nearby. The bailiffs cannot force their way into your home unless you have let them in before. Do not sign any papers the bailiffs may post through your door, otherwise you may be charged extra costs and the bailiffs may try to enter by force.

Contact the council and the bailiffs and try to make an arrangement to pay. If the bailiffs will not accept your offer of payment, ask the council to take the account back from the bailiffs to let you pay the council directly.

You should do this as soon as possible because you may be charged costs for each time the bailiffs visit your home. Even if the council refuse to take the account back, you should still make payments to them quoting your Council Tax reference number and the year the debt relates to.

They will add these payments to your account and it shows you are willing to pay. Use your [personal budget](#) to support your offer and start paying immediately. For a fact sheet on Bailiffs and the Council Tax call National Debtline on 0808 808 4000.

Deductions from Income Support, Pension Credit, Employment and Support Allowance, or Jobseeker's Allowance

You can ask the Department for Work and Pensions to take a standard amount each week from your Income Support, Pension Credit, income-related Employment and Support Allowance, or income-based or contribution-based Jobseeker's Allowance to pay for your Council Tax arrears.

If they agree to do this, the council should not take any further action while the money is being taken direct from your benefit.

Charging orders

If the debt is for £1,000 or more, the council can apply to the county court for a legal charge on the house on which you owe the Council Tax. This means the debt is 'secured' on your house like a mortgage and so may put your home at risk.

Bankruptcy

The council can try to make you bankrupt if the debt is £750 or more. This is becoming more common and is more likely if you owe Council Tax bills for lots of different years as they can add these together. You may be able to complain if the council has not considered other options first. If the council threatens to make you bankrupt, contact us for advice.

Imprisonment

If the council has tried to use bailiffs and you have still not paid your Council Tax in full, they may apply to the magistrates' court for an order for you to be sent to prison.

The court is unlikely to send you to prison if you have not paid because you don't have enough money. There must be a hearing in the court to look at why you have not paid and

whether you have the money to pay. You must go to the hearing and show the court your personal budget to explain why you have not been able to pay.

The court should not send you to prison if you cannot afford to pay. They should only do so if they think you have 'deliberately refused' or 'neglected' to pay when you could have done so.

Attending court

If you have to go to the court, you should get legal advice first. Contact a local advice agency, a law centre, or a solicitor. Most magistrates' courts have a duty solicitor scheme that may be able to help you.

You may qualify under the 'Legal Help' scheme for a solicitor to help you at the hearing, depending on your income.

In exceptional circumstances the court may order the Council Tax debt you owe to be 'written off' so you do not have to pay the debt back. But normally they will order you to pay an amount each month until you have paid the debt.

If you do not pay this amount regularly, you will have to go to court again and may be sent to prison for up to three months. If you find you can't pay what the court has ordered, keep paying what you can afford and apply to the court to reduce the amount you have to pay.

Remember Council Tax is a priority debt

Because of the council's powers to make you pay Council Tax, you must treat it as a priority debt. If you can't pay the full amount:

- check if you can claim Council Tax Benefit;
- check the bill has been worked out correctly;
- contact your council and make an arrangement to pay;
- pay what you can afford