

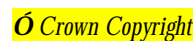


OFFICE OF THE
DEPUTY PRIME MINISTER

Uplifting Enforcement Agents'
Fees For Council Tax And Non-
Domestic Rate Debts
A Consultation Paper

March 2003

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March 2003

Uplifting Enforcement Agents' Fees for Council Tax and Non-Domestic Rate Debts - A Consultation Paper

Purpose

1. This consultation paper seeks views on proposals to uplift certain fees that enforcement agents or bailiffs may charge debtors when levying or attempting to levy distress for council tax and non-domestic rate debt.
2. A copy of this consultation paper has been sent to all English billing authorities, the local Government Association, the Chartered Institute of Public Finance Accounts, the Institute of Revenues, Rating and Valuation, the Certified Bailiffs Association and the Association of Civil Enforcement Agents and has been made available on the web-site of the Office of the Deputy Prime Minister.
3. We invite responses by **30 May 2003**. Please send paper responses to:

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or e-mail responses to council.tax@odpm.gov.uk

4. Further copies of this consultation paper can be obtained via 0870 1226 236 or on the ODPM website at: <http://www.local-regions.odpm.gov.uk>
5. The Department may wish to publish responses to this consultation exercise in due course or deposit them in the Department's Library. If so, all responses received will be published or deposited, unless a respondent specifically asks the Department to treat their response as confidential. Confidential responses will, nevertheless be included in any statistical summary of the numbers of comments received and views expressed.

Introduction

6. A range of measures are available to local authorities if a council tax payer or non-domestic ratepayer fails to pay their bill. One recourse is to levy distress. That is the legal seizure and possibly removal and sale of the debtor's goods.
7. The levy of distress is governed by regulations 45 and 46 of the Council Tax Administration and Enforcement Regulations (SI 1992/613, as amended) and by

regulations 14 and 15 of the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (SI 1989/1058, as amended). Where an authority levies, or attempts to levy, distress they may add charges to the sum owed by the debtor in accordance with the scale of fees set out in these regulations (Schedule 5 to the council tax regulations - SI 1992/613 and Schedule 3 to the non-domestic rating regulations - SI 1989/1058).

8. Most local authorities contract out the levying of distress to private sector firms of bailiffs. Many contracts between local authorities and bailiffs assign the fees to the bailiff company to cover the cost of making the levy.

Level of fees

9. The current fees were last increased with effect from 1 April 1998. The bailiff industry has for some time been calling for a substantial restructuring and raising of the level of fees for levying distress for council tax and non-domestic rate debts. They believe that the existing structure and level of fees is not sufficient to enable them to make their work viable. No representations have been received from local authorities about fee levels or difficulty in finding bailiffs willing to take on enforcement work.
10. Whilst the Department maintains the view that the question of bailiff remuneration is a matter of contract between the local authorities and bailiffs we do, however, recognise the argument that the current fee levels need to be responsive to market conditions. Whilst we do not propose making any major changes to the fees structure for council tax and non-domestic rate debt, or substantially raise them, we feel that that there may be a case for increasing the level of existing fees by the rate of inflation since they were last increased in 1998. This would maintain the real value of the fees both in monetary terms and as a deterrent against non-payment.
11. **We therefore propose that certain fees connected with the levying of distress for council tax and non-domestic rate debt be increased by 11.5%, the rate of inflation since 1 April 1998. Fees will be rounded to the nearer £0.50.** Details of the proposed increases are at annex A.
12. We would welcome views on whether the fees should be:
 - a) increased as proposed, or
 - b) remain at their current level.
13. This consultation is independent of the Lord Chancellor's Department's proposals to modify existing fee principles and structures across the range of debt stream areas, under the aegis of the Enforcement Review.

ANNEX A

Fees	Current Charge	Proposed charge
1. For making the first or only visit with a view to levying distress (where no levy is made)	£20.00	£22.50
2. For making the second visit with a view to levying distress (where no levy is made)	£15.00	£16.50
3. For close possession of goods	£12.50	£14.00
4. For walking possession of goods	£10.00	£11.00
5. Where no sale of goods takes place by reason of payment or tender	£20.00	£22.50
6. For levying distress where the sum due at the time of the levy does not exceed £100	£20.00	£22.50
7. For levying distress where the sum due at the time of the levy exceeds £100	20 per cent	22.5 per cent