



COUNCIL TAX LEGAL SERVICES

Advice, Training, and Consultancy

A Brief History of Council Tax

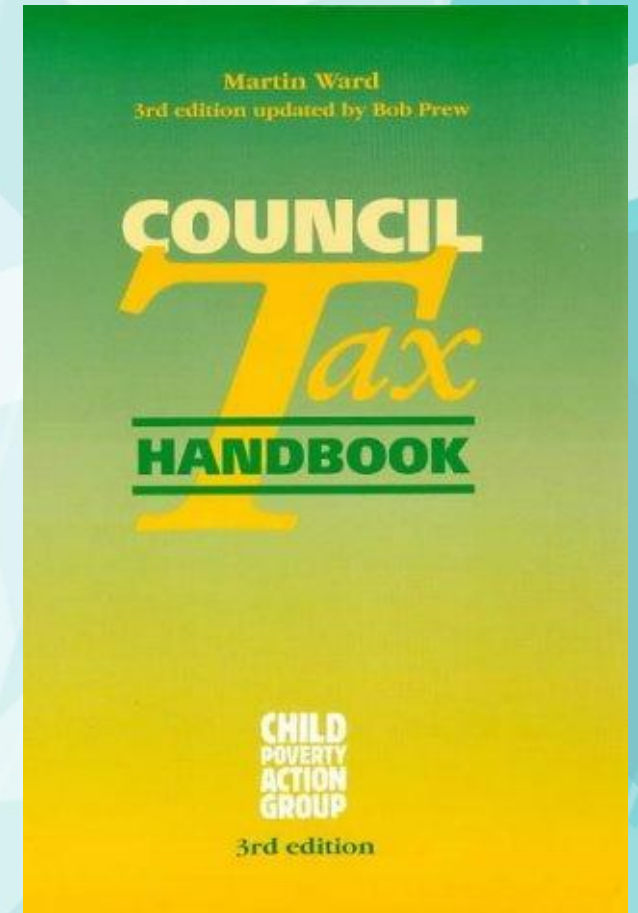
By Alan Murdie, LL.B, Barrister, Council Tax Legal Services

A Brief History of Council Tax 1993 – 2016

and how it has changed.....

1. For the first three editions of the Council Tax Handbook (1992-97) it was (relatively) straightforward....

1992- 1997





But then in 1998 it stopped being straightforward and a further eight editions of the Handbook have been needed since.....

Now it's the 11th edition 2016/2017.

Here's what happened....

1990 - First there was the
unpopular poll tax introduced
1989-1990 - prompting a huge
reaction....





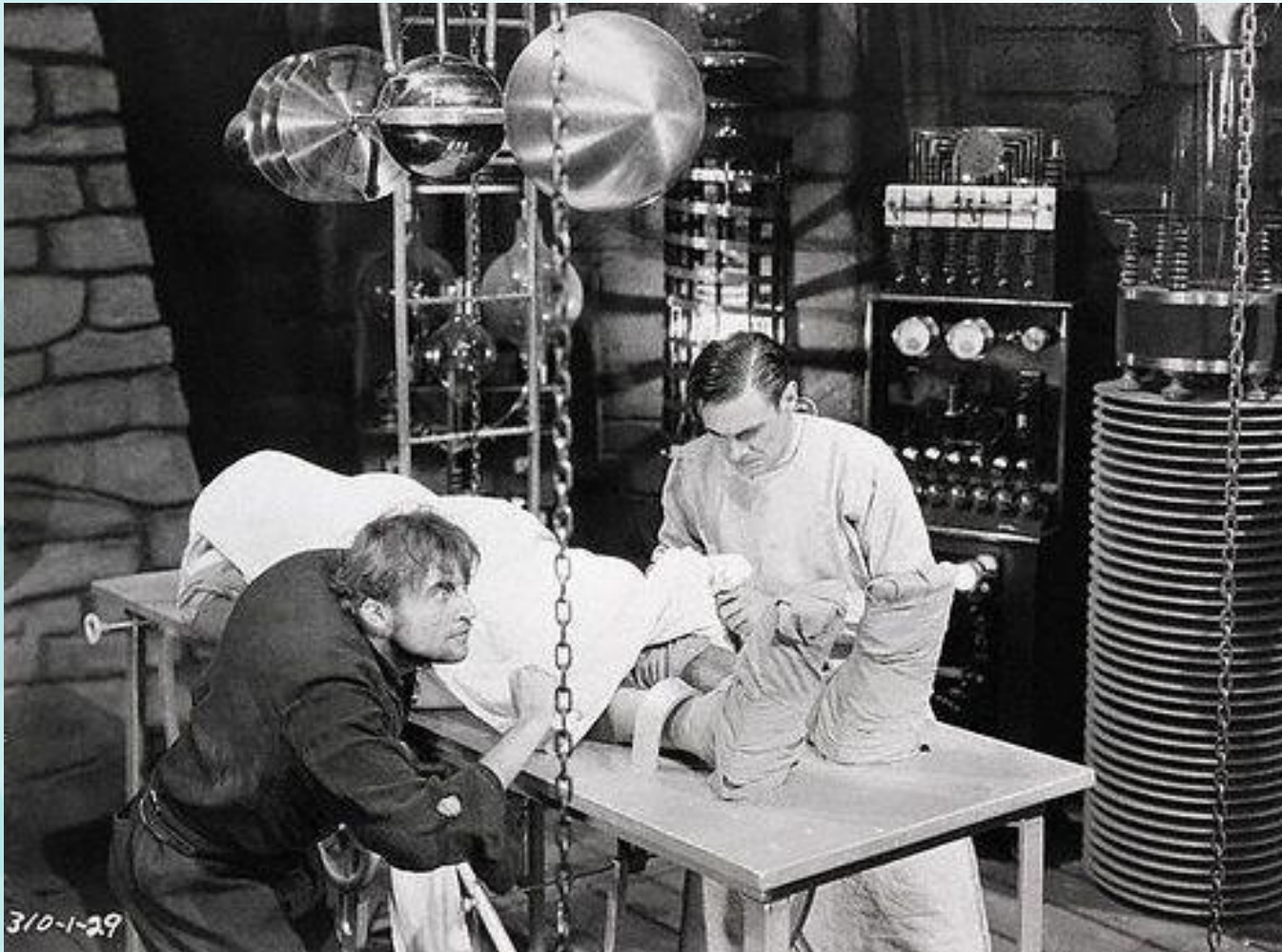
There was enormous political opposition to the poll tax throughout England, Wales and Scotland....



Nov 1990 - Conservative MPs
decide to scrap Poll Tax and
remove Premier Margaret
Thatcher

Jan 1991 - Michael Heseltine
appointed to tackle and replace poll
tax.





Oct 1991-March 1992
Michael Heseltine's team
hastily create a new
taxation model stitching
together parts of the old
rates system with bits of
the poll tax – and call it
'Council Tax'....

March 1992 – the Local Government Finance Act 1992 is ready and the new Council Tax system is presented to Parliament.

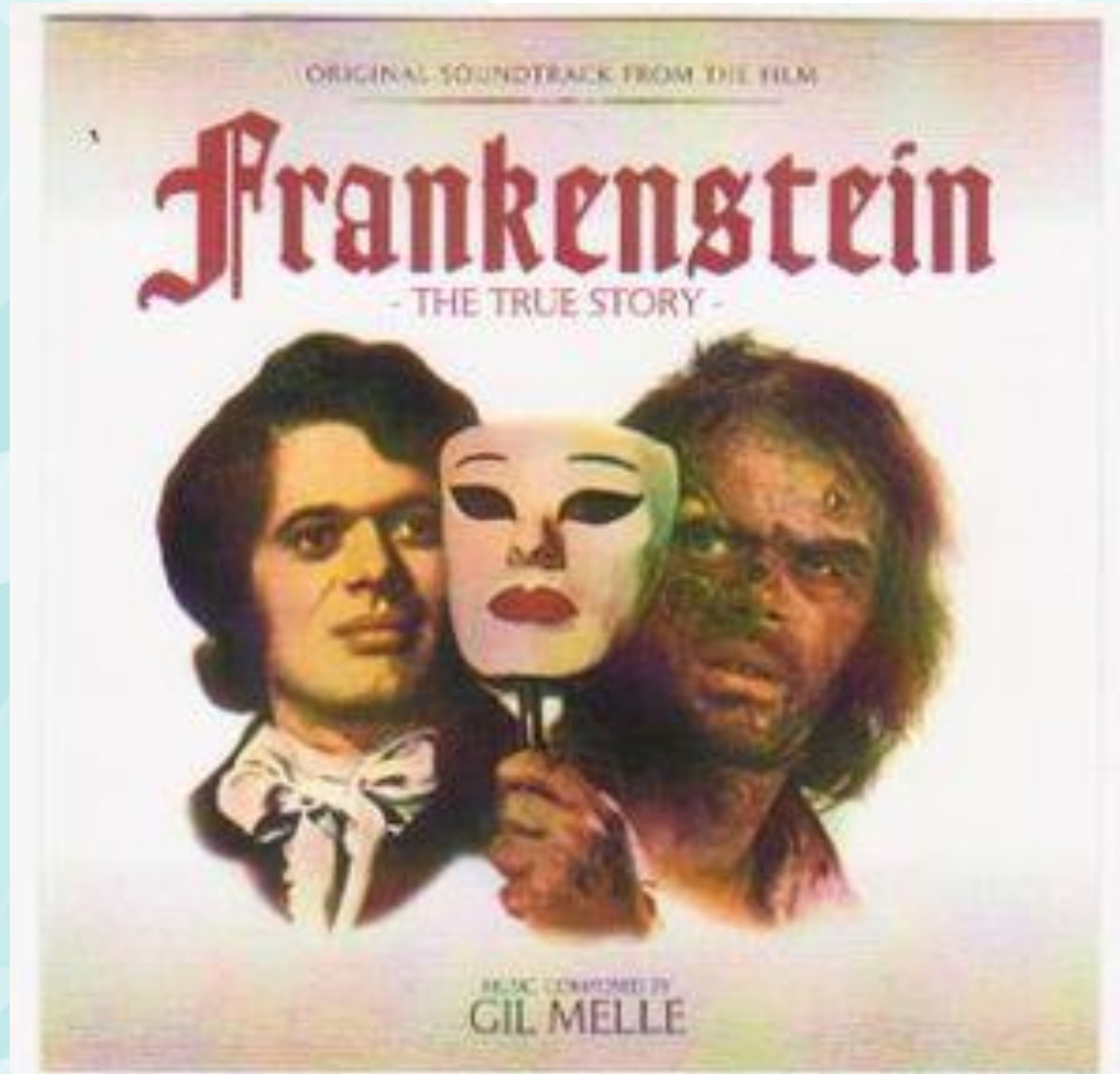




The Council tax is promised as a 'simple, straightforward and fair' tax with 100% benefit for the pooresta beautiful creature....

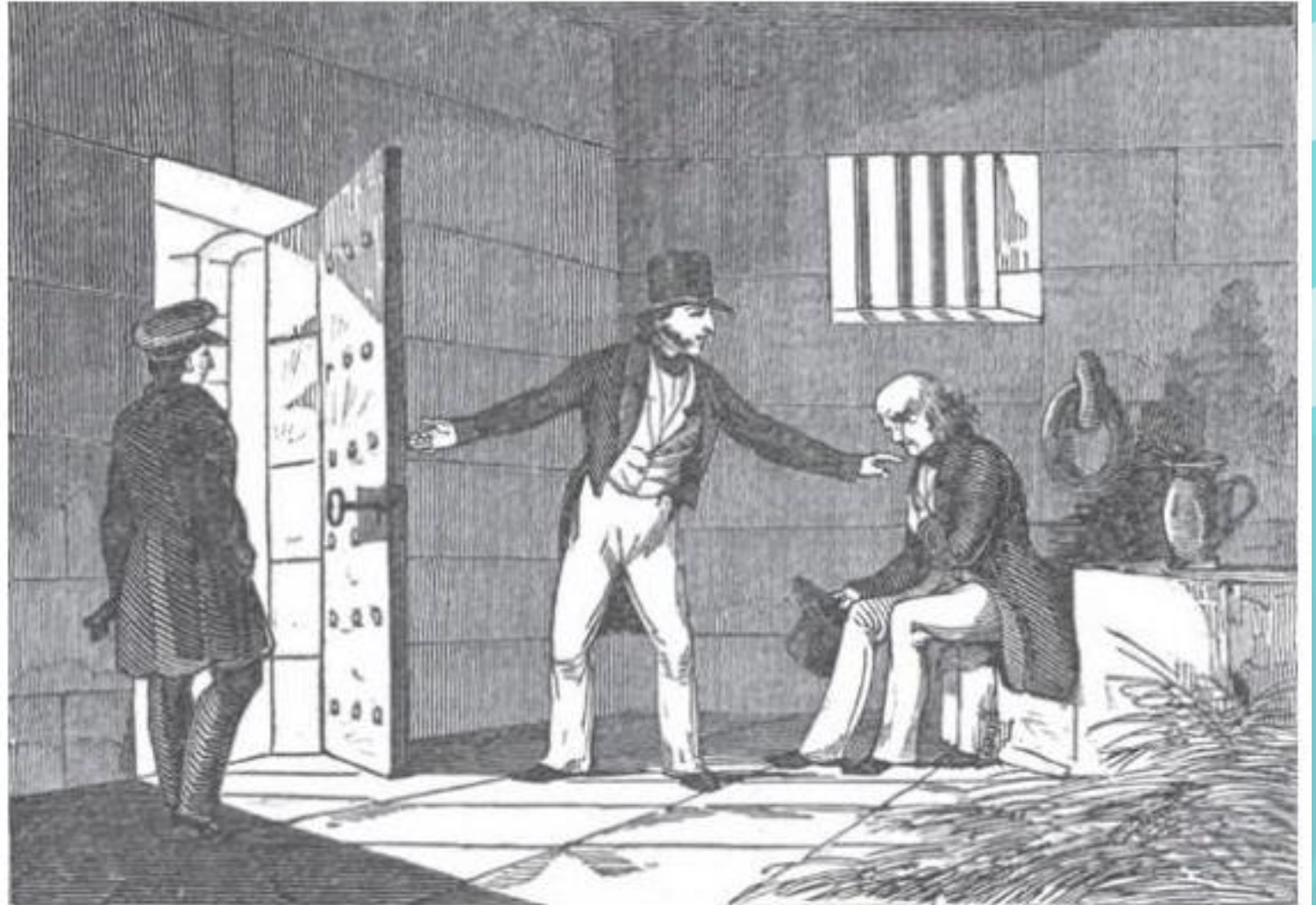
1st April 1993 - the council
tax comes to life.....





But within the Council Tax
(Administration &
Enforcement) Regulations
1992 SI 613 lurks the same
system of recovery as poll
tax.....

Councils turn to committal to prison to recover old debts. Between 1991-2002 the High Court quashes over 1,000 wrongful committals to prison for local taxes, fines and penalties in magistrates' courts...



But it is realised that bailiffs are like vampires who cannot get into your home without being invited in.....

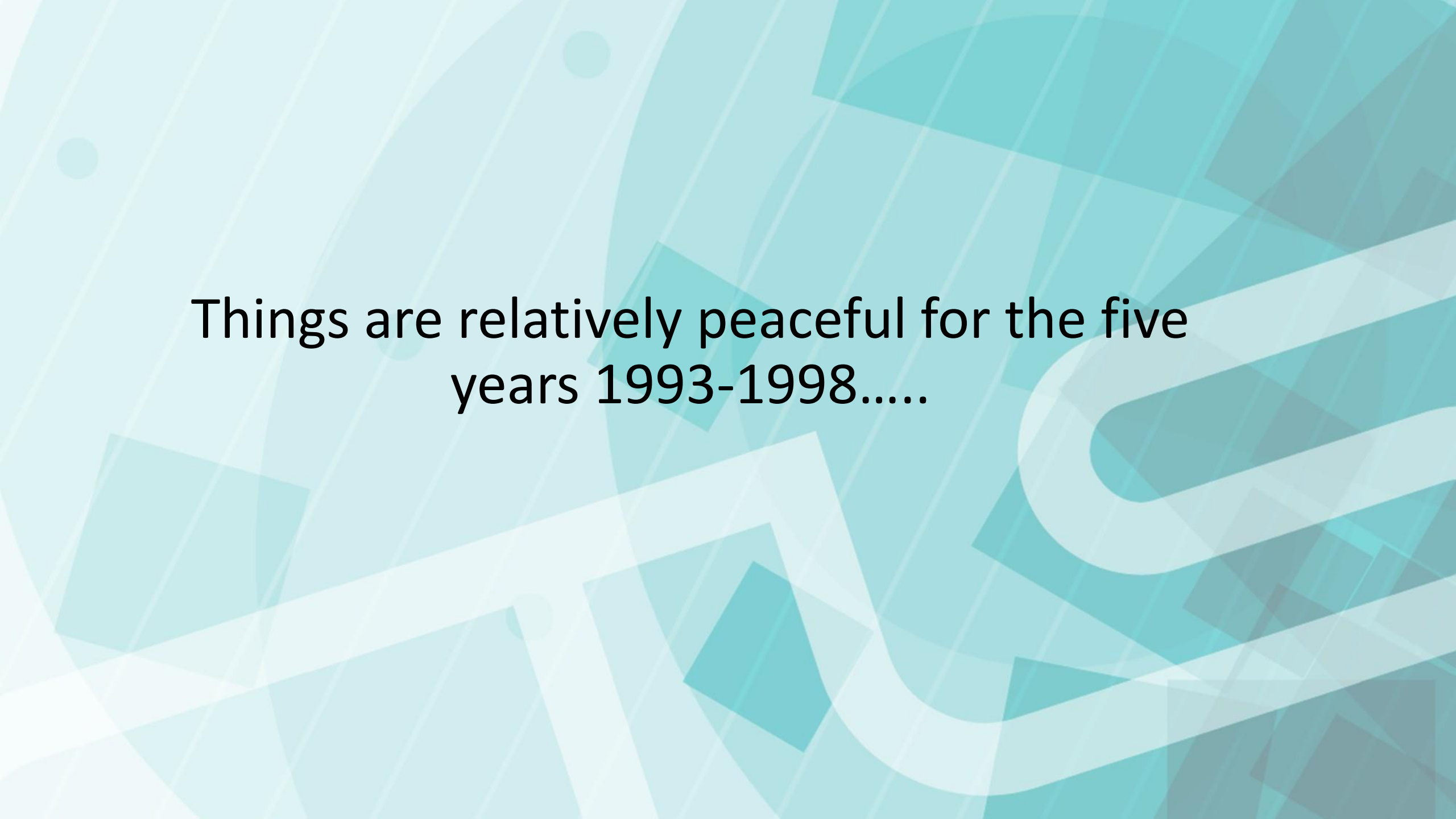




But between 1993 -1998 dealing with local tax debt problems is relatively straightforward, using the legal equivalents of stakes, garlic and crucifixes....and 100% council tax benefit.



(Dealing with council tax debts 1993-98....)



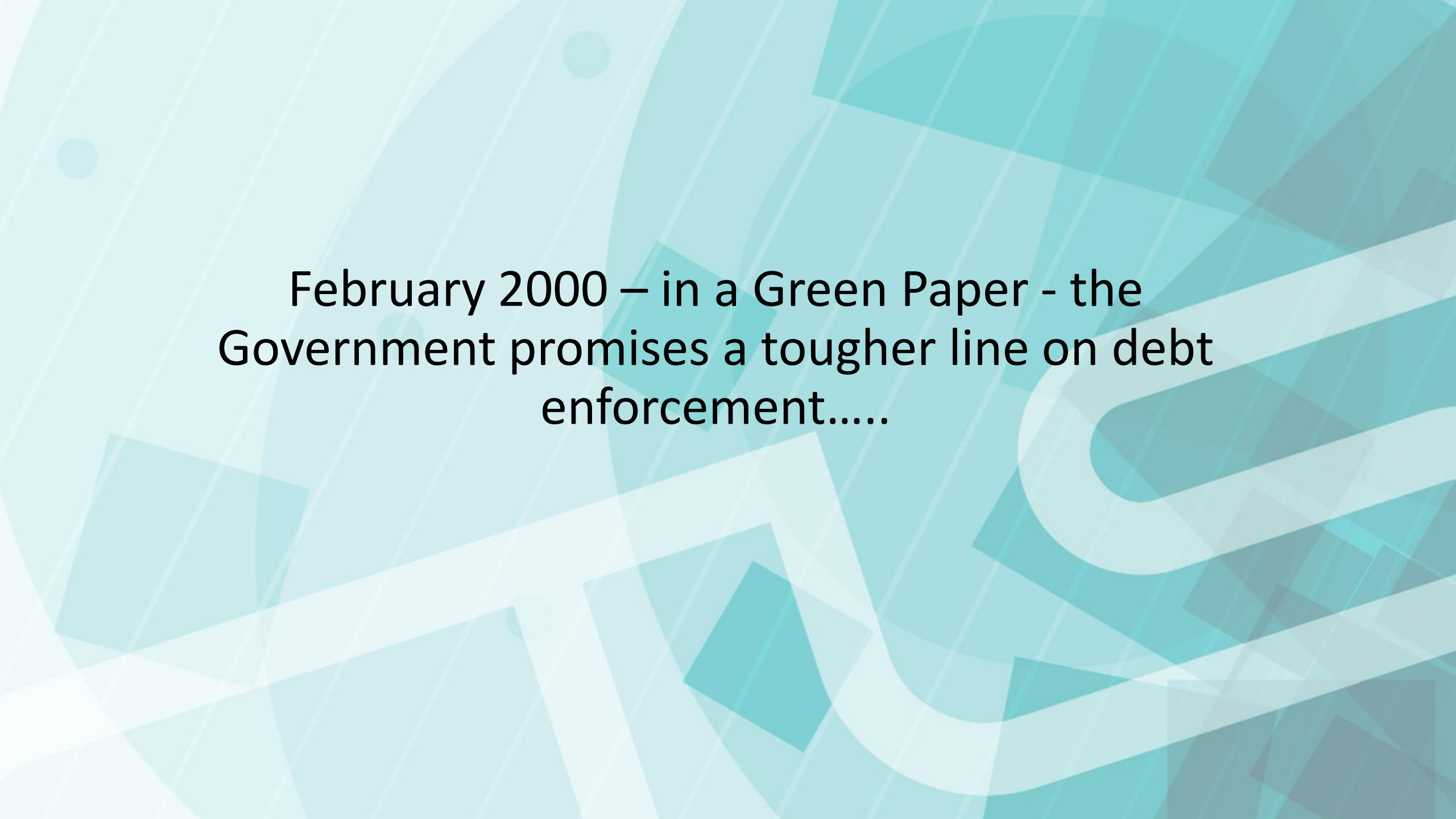
Things are relatively peaceful for the five
years 1993-1998.....

Then in 1998 increased
computerisation links up
DWP and Local
Authority computers.
The connected
computers start cutting
off Council Tax benefits
for thousands of people
....

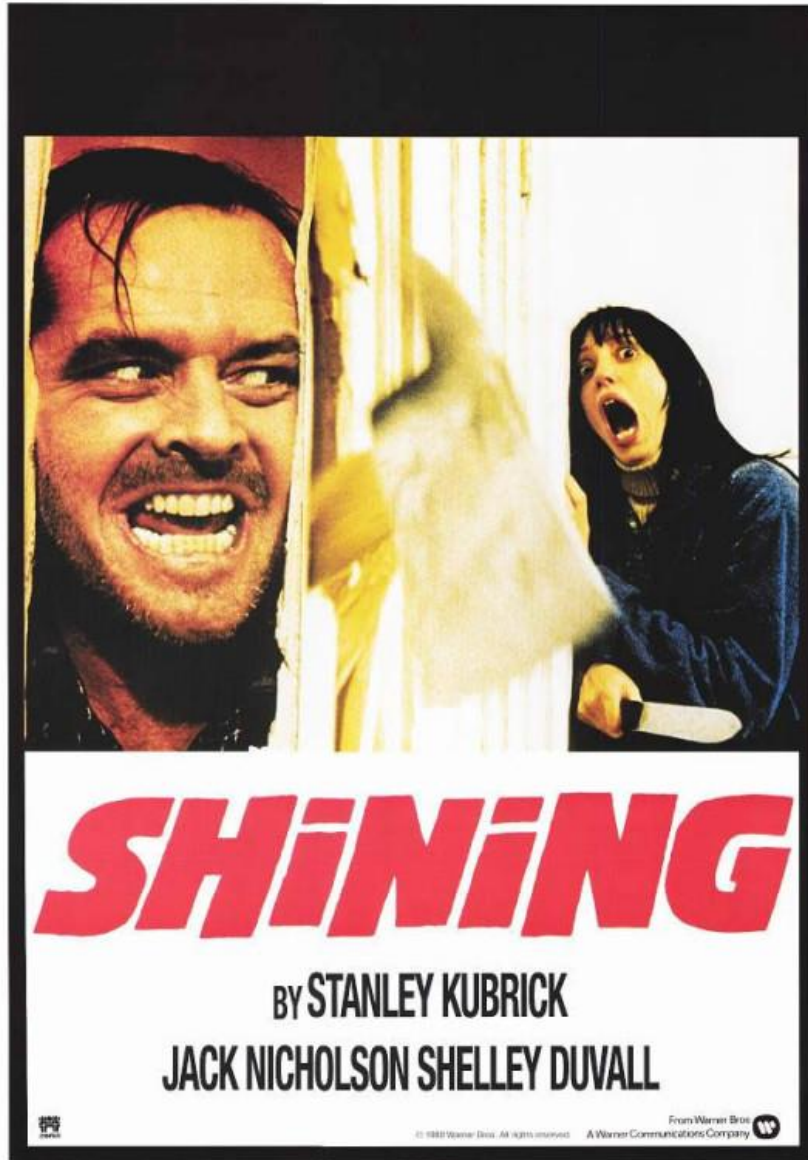




The Council Tax is repeatedly amended by regulation and starts changing.....



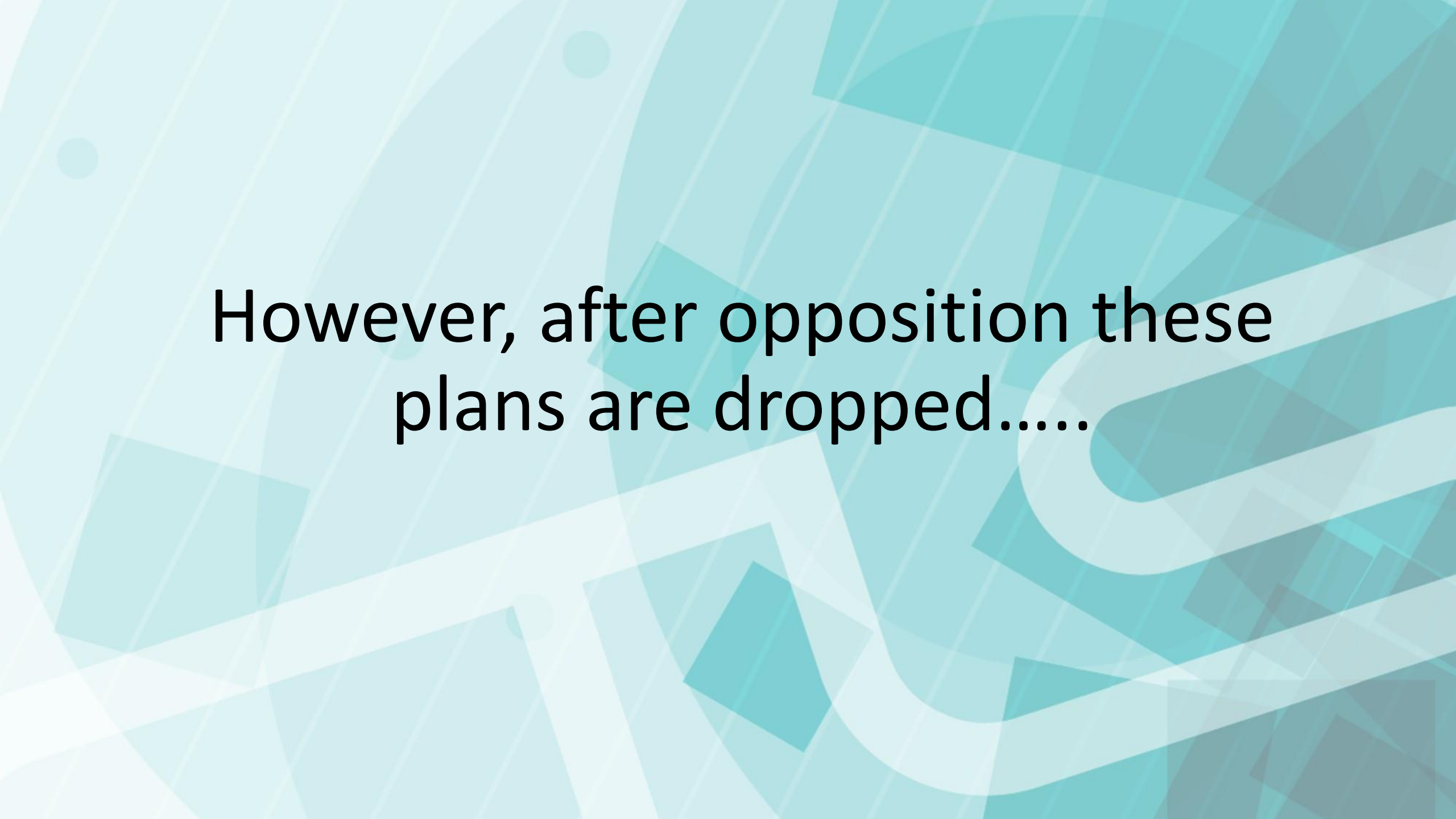
February 2000 – in a Green Paper - the
Government promises a tougher line on debt
enforcement.....



July 2007 – Tribunals Courts and
Enforcement Act 2007 –
Government wants to give bailiffs
powers of forced entry.....

Slide 20 And the power to use force
on debtors once inside.....TCE Act
2007 (Schedule 12)





However, after opposition these
plans are dropped.....

2008 – Warnings appear about computers taking control of council tax recovery as arrears grow.....

Money Advice

Computer says no!

Alan Murdie examines the tactics advisers can use to ward off over-zealous Council Tax enforcement actions by local government departments

Recent years have seen the council tax regime grow into an increasingly complex labyrinth of regulations.

Numerous exemptions, discounts, disregards and reductions are potentially available to taxpayers but it can prove exceedingly difficult to make local authorities treat disputes over bills seriously or correct computer-generated errors when they occur. The position is exacerbated by local authorities who commence recovery action while a taxpayer is seeking to claim a reduction or still disputing liability to tax. How can one find a way through the maze of regulations and appeals in time to prevent the issue of a liability order with costs?

Fortunately, there are several practical tactics that an adviser can bring into play to defend a client with an arguable case from over-zealous enforcement action by a local authority department deaf to representations.

Factors determining strategy

In practical terms, the first thing to remember is that local authority revenue departments are now run by computers. Many officials are unclear as to the extent of the discretion that

its preliminary stages enforcement is a wholly automated procedure. A computer generates bills, reminder notices and ultimately – in conjunction with the magistrates' court computer – a summons, with a facsimile signature printed on the notice of proceedings. Getting computers started on this road is all too easy. A clerical error or a failure to process benefit is sufficient. The important thing is to suspend the programme. This is easier said than done, as it requires direct intervention by a council tax official who understands the issue concerned.

Appealing to the valuation tribunal

In a case of dispute, effective use can be made of valuation tribunals set up under the Local Government Finance Act 1992. Although the role of valuation tribunals in determining property bandings is well known, their role in determining disputes over liability and amounts of tax is relatively little understood. Tribunals are free and taxpayers may represent themselves or be represented by anyone else, whether legally qualified or not. As a result they play a very

principally concerned with collecting revenue, local authorities have a built-in reluctance against referring disputes to valuation tribunals once computerised recovery proceedings are set in motion. Possibility of settlement may be ignored. Often, local authorities appear all too keen to get cases into court as soon as possible, least because summons costs of £60-80 can be added to a bill making bulk summonses a lucrative way of earning extra revenue.

Jurisdiction

The jurisdiction of the valuation tribunal to deal with disputes over bills is given by s16 of the Local Government Finance Act 1992. This gives them jurisdiction over all disputes involving student status, sole or main residence, exemptions, liability to tax, discounts and mathematical calculations – with the exception of council tax benefit appeals (but see below).

It therefore follows that in a bona fide dispute over a bill, the taxpayer must be advised to suspend an appeal to the valuation tribunal as soon as possible. Appeals are commenced by writing to the local authority

But computers
do take control
of the recovery
process across
England and
Wales, often
overriding
human
discretion.....



Dave... I'm afraid I can't
let you do that...



May 2010 – Oct 2012 – The Coalition Government continues amending council tax and cuts welfare. Eric Pickles replaces Council Tax Benefit with Local Reduction Schemes.



The Local Reduction
Schemes are
enormously complex....

Transformation 1993 - 2013

1 April 2013 Council Tax Benefit is removed completing the transformation of council tax back to poll tax for the poorest in 250 out of 326 local authority areas....



1993

2000

2013



April 2013 – onwards
The numbers of debt cases before the courts rise enormously..... Not since the witch trials (or the poll tax) have so many poor and vulnerable people been taken to court at one time.

There is a major impact on the poor and vulnerable with inflated court costs and bailiff fees added to debts.....





And dealing with a council tax
debt is no longer like fighting
him

But more like
trying to fight
them....





With enforcement
processes that
never stop.....

With the DWP
and local
authorities
resurrecting
old debts....



And if you're a debt advice organisation you know
you're going to get eaten in the end.....



So how do you avoid this fate...?

Psychologists Philip Zimbardo and Stanley Miligram consider

There are 7 social processes that grease "the Slipperly slope of evil"

- * Mindlessly taking the first small step
- * Dehumanization of others
- * De-individuation of self (anonymity)
- * Diffusion of personal responsibility
- * Blind obedience to authority
- * Uncritical conformity to group norms
- * Passive tolerance of evil through inaction or indifference