



# Corporate Debt Policy

Bury Council  
And  
Six Town Housing



**BURY COUNCIL/SIX TOWN HOUSING  
CORPORATE DEBT POLICY**

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## **1.0 Introduction**

### **1.1 What is a Corporate Debt Policy**

The CDP is the Council statement on how it will work with its customers and partners to collect debts from customers. Bury Council and its partners Six Town Housing and Bury District Citizens Advice Bureau have developed a clear consistent approach to dealing with people in debt which is underpinned by the robust recovery processes already in place.

### **1.2 Policy Objective**

Our clear objective is to make sure that those who have the means to pay do pay and those individuals/families in genuine crisis, receive the targeted help and support they need to prevent raising debts and increase personal capacity.

In order to maximise income for the provision of services, Bury Council's Corporate Debt Approach will ensure that we collect debt owing promptly, effectively and economically, while ensuring fair treatment to all debtors.

### **1.3 Why have a Corporate Debt Policy**

The Council has formalised the policy for the following reasons:

It is essential that all monies due are collected effectively by the Council in the most efficient way and that debt owed to the Council is kept to a minimum. This is because the Council has both a legal duty and a responsibility to its citizens to make sure that income due is paid promptly.

With the significant challenges of the welfare benefit reform and the declining economy it is critical that we manage the risks and protect business revenue. It is essential that all income is collected as effectively and efficiently as possible to ensure we have the resources needed to deliver the valuable services required.

The Council recognises that early intervention and professional debt advice is an important element of the Government's Anti-Poverty Strategy. This policy promotes working with partners to help customers move towards self sufficiency and independency. Whilst recognising that some people will need support with new demands of managing online claims, maintaining monthly budgets and assisting those who may be unable to access mainstream financial services.

Transparency is vital in maintaining public confidence, supporting our communities and empowering our people. It means helping people to understand what is expected of them and what they should expect from the Council. It also means explaining clearly the reasons for taking any recovery action and promoting ways to prevent this in the future, but also making sure we are working together to support our most vulnerable.

Having a Corporate Debt Policy is not only good practice, it is now essential that we are working together to provide a clear and consistent approach which promotes efficiency in the collection of debt. The policy makes sure that every customer is treated equally and fairly and supported through these changing times. It also ensures that every customer in debt is able to access advice and support, affordable lending facilities and employment opportunities.

The Corporate Debt Policy will make sure we are effectively working together to support our customers, promoting positive cultural changes to reduce dependency and helping to maintain and protect the Councils and Six Town Housing's cash-flow.

## 1.4 What is a Debt

For the purposes of the CDP, a debt is any amount of Council and Six Town Housing income covered by this policy that has not been paid by the due date.

All bills and invoices will be raised at the earliest opportunity, will be written in plain English and will contain clear and concise information as to:

- What the bill is for
- When payment is due
- How to pay
- Who to contact for additional advice or information.

## 1.5 Why are people in debt.

A debt is when you owe somebody money, so anyone who receives a bill or request for payment from the Council or Six Town Housing is in debt until this is paid. A positive payment culture is promoted across the borough to ensure effective collection of Council and Six Town Housing revenue and prevent customers falling behind with payments.

Debt is not a problem until somebody cannot pay it. If a customer cannot pay a debt it is essential they contact us immediately in order to prevent debts spiralling out of control and to try and prevent further action being taken against them which could also result in additional costs.

## 2.0 Scope and Aims of the Corporate Debt Policy

### 2.1 What debts are covered by this policy

The policy cover all debts owed to the Council and Six Town Housing.

Including:

- Current Rent Arrears
- Council Tax
- Parking Fines
- Housing Benefit, Council Tax Benefit and Fraud Overpayments
- Business Rates
- Former Tenant Arrears
- Council Car Loans
- Garage Debts
- Council Sundry Debts

Including:

- Adult Care Services – Contributions to care fees & accommodation, care link, transport charges, and community resettlement charges.
- Housing Services – Repairs, damages, leasehold services and recharges to departments.
- Property Services – Commercial rents, ground rents and garage sites.
- Children’s Services – Nursery fees, recoupment charges and school meals.
- Environmental and Development Services – Building inspection fees, commercial waste collections, leisure services fees and charges.

## **2.2 Early advice is essential to prevent further action and costs.**

The Council has a duty to make sure that all revenue owed to the Council is collected effectively and efficiently for the benefit of all Council Taxpayers.

In striving to continually improve collection and recovery performance, the Council recognises that some people do not pay their debts for a variety of reasons. This may include poverty or other financial hardship, which the Council will endeavour to balance against its duty to collect.

Conversely, the policy aims to take a robust approach to those who can pay, but won't pay and each service will apply their own robust recovery procedures to ensure collection is maximised. The policy does not prejudice any legal action the Council or Six Town Housing may wish to take.

It is essential that any customer struggling to make a payment lets us know as soon as possible. We can then work with individuals to resolve their issues and prevent unnecessary hardship. Where customers fail to make contact or maintain arrangements then recovery action will continue. The general collection policy is to pursue the collection of all debts owed to the Council and Six Town Housing. This will be done as vigorously and efficiently as possible in line with current legislation and the most appropriate methods of recovery.

A range of partnerships have been put in place to ensure that any customer needing help to manage their money or deal with debts have access to free, independent help and advice.

This policy details the Council's Corporate Debt Approach to debt recovery and the additional measures introduced. Best practice will be applied to all debt collection and recovery activities within appropriate legal powers.

## **2.3 Policy Aims**

The key aims of this policy are as follows:

To use fair and effective recovery practices in the pursuance of all debts owed to the Council and Six Town Housing and ensure that those with the means to pay do pay.

Ensure a professional, consistent and timely approach to recovery action across all of the Council and Six Town Housing's functions.

To fully consider the nonpayer's circumstances and ability to pay, so a clear distinction can be made between the nonpayer who won't pay and the nonpayer who genuinely can't pay.

Make sure any customer falling in to debt is referred for advice in dealing with debts and supported to manage their finances better in order to prevent future problems.

Effectively access and utilise the valuable resources available within the private and third sectors.

Raise awareness on basic bank accounts and affordable lending facilities therefore helping customers avoid high interest pay day loans and door stop lenders.

Improve the levels of income collected by the Council and Six Town Housing and reduce levels of arrears.

Treat individuals consistently and fairly regardless of age, sex, race, gender, disability and sexual orientation and to ensure that individual's rights under the Data Protection Act and Human Rights legislation are protected.

Ensure that debts are managed in accordance with legislative provisions and best practice.

Deliver an alternative approach based on flexible working to achieve better outcomes for individuals and families.

Streamline service delivery by targeting help and support where it is needed and at the level it is needed at in order to increase independence and protect future revenue.

## **3.0 Recognising the Need for Change**

### **3.1 The Changing Landscape**

The Council recognises that in these economically challenging times and with the ongoing impacts of the Welfare Benefit reforms. Many customers are struggling to manage and maintain their essential living expenses on lower incomes and levels of debt both locally and nationally are increasing.

### **3.2 Reasons for debt.**

We have asked customers about the main reason they had got in to debt and they range from the following:

- Change of circumstances
- Unemployment
- Change of working hours
- Other debts
- Benefit changes
- Pay day loans
- Not being able to budget
- Relationship Issues
- Large unexpected bills

Therefore as reduced income and multiple debts are the root cause to many of the symptoms our customer face, this is where we need to put additional measures in place to support our customers and protect our revenue.

### **3.3 Efficient and Fair Debt Collection.**

This policy has been developed to ensure a Corporate Debt Approach is implemented across the borough. It aims to adopt fair, effective and efficient debt collection and recovery practices including:

Providing appropriate and easy payment methods and ensuring that bills are accurate, timely and clear.

Encouraging customers who fall into arrears to contact us at the earliest opportunity and agree to sustainable payment arrangements appropriate to their circumstances.

Conducting early risk assessments and raising awareness at the first point of contact. Informing customers how to access additional services and ensuring that advice and support is tailored to meet the individual needs of the customer.

Identify deliberate non-payers or those who delay payment and increase customer awareness on how to avoid further action and prevent additional costs.

Take timely and effective enforcement action where appropriate against those customers who wont pay and don't pay.

Help to reduce the effect of debt of people on low incomes by working together to support customers through the welfare reform changes and raising awareness of local provisions.

Provide joined up holistic services to remove duplication, streamline the customer's journey and secure positive outcomes.

Deliver targeted campaigns to ensure that maximum benefit take-up occurs and is sustained by working with our customers to help them manage the new demands. Work in partnership targeting help and support to where it is most needed to; improve budgeting skills, increase financial capacity and support customers in to work.

Maximise the valuable services available from our new local Credit Union, promoting the benefits of affordable lending to our customers and utilising it as a valuable tool to protect Council and Six Town Housing revenue.

## **4.0 How Change will be Achieved.**

### **4.1 The Legal and Policy Framework for Legal Recovery**

The Council has a legal duty to ensure cost effective billing, collection and recovery of all sums due to it. This policy is in addition to existing legislation and is designed to enhance the robust procedures already in place to collect debt.

### **4.2 Additional Measures Introduced**

People owing the Council and Six Town Housing money will be encouraged to make contact as soon as they get into difficulty with making a payment, in order to resolve problems and prevent increasing debt problems.

Advice and information will be provided at the first point of contact in relation to all council debts. An initial risk assessment will be done early in the recovery stage and an arrangement to pay will be made. Customers will be advised about free independent money advice services provided locally and given information about free on line help available.

In order to provide clear up to date information to all of our customers, details of all non profit making debt advice and money management facilities across the borough have been mapped. This will be updated on to a central information store with direct links to partners and is easily accessible to customers.

We are also working in partnership with Step Change (formally CCCS) who is the UK's leading debt charity. We are utilising this valuable, free independent service and have hot keys in place within the Council and Six Town Housing.

This enables us to make sure any customers who needs help dealing with debts gets help dealing with their debts.

This service is free and independent, therefore it helps us steer our customers away from costly profit making debt management companies. The customer is given budgeting advice and sustainable payment arrangements are put in place to deal with the priority debts and help prevent further action and costs.

If customers continue to fall into debt, do not pay or break repayment arrangements, then robust recovery processes will continue. The Council recognises it is essential to act on any information received on the income and expenditure form.

We now have a corporate debt manager in place to over see the policy, act as a single point of contact for multiple debt cases and work with partners to review and progress our highest risk cases in the most appropriate way.

### **4.3 A Corporate Approach**

In cases where multiple debts are identified and the customer is struggling to pay, a referral will be made to CAB. Once a referral for additional help and advice has been made then normal recovery action should continue in line with recover procedures.

All cases where multiple debts are identified need to be brought to the immediately to the corporate debt manager. These multiple debt cases are often the symptom of some other root cause therefore need to be carefully monitored and reviewed.

All customers referred to the CAB, will be provided with initial help and advice needed and re-payment arrangements will be put in place to prevent further problems. If the customer has multiple complex debts or multiple complex issues, they will be referred on to get specialist help from a money advice worker.

The specialist money advice workers already have several established points of contact across the Council and Six Town Housing, which they will continue to utilise when needed as this is working really well. In cases of multiple debts and/or multiple issues, the money advice worker will contact the corporate debt manager as the single point of contact. The corporate debt manager will review all of the surrounding facts, negotiate across departments where needed and work with Six Town Housing, CAB and other agencies to make sure all appropriate measures are in place to support the customer.

After conducting a full review of the case, if the corporate debt manager has concerns about the customers mounting debts and inability to cope and/or the increasing costs to the council, then the case will be progressed as a 'family in crisis'.

#### **4.4 New Measures in line with a Corporate Debt Approach.**

#### **4.5 Early Identification**

Early identification of multiple debts, professional debt advice and clear sustainable repayment plans are essential to prevent further problems and protect the Council and Six Town Housing revenue.

Identifying deliberate non-payers or those who delay payment and taking timely and effective enforcement action to protect Council and Six Town Housing revenue is also important.

Whilst it is the role of the individual department to collect monies owed to the Council and Six Town Housing, by ensuring robust recovery methods are carried out within its own powers and in accordance with legislation:- the corporate debt approach will ensure that we are working together to protect Council and Six Town Housing revenue and prevent increasing debts for the customer.

Individual departments will maintain responsibility for offering welfare benefit and debt advice. The corporate debt policy also ensures that all customers can access these services at the first point of contact.

In line with current procedures, whilst it is the individual departmental responsibility to consider individual circumstances, financial commitments and other debts:- the corporate debt approach ensures that multiple debts are identified and the most effective and efficient way of recovery can be considered.

Any non-payer who is identified as having multiple debts across the Council and Six Town Housing needs to be flagged up immediately to the Corporate Debt Manager. The account should be marked with the appropriate code on the respective computer systems. Whilst recovery proceedings could continue in line with current procedure and legislation, consideration should be given to reviewing current actions taking account of the possibility that the corporate debt approach may resolve their problems.

#### **4.6 Intervention**

The Council recognises that in certain circumstances the usual enforcement procedures (such as bailiff action, committal proceedings or eviction) may not be appropriate for some people who find themselves in debt to the Council and Six Town Housing.

This could be because the person might be viewed as vulnerable owing to their individual circumstances or a 'Family in Crisis'. The current vulnerable person's protocols provide guidance for staff and the Council and Six Town Housing's collection agents on how to manage the situation and support a vulnerable person who owes a debt to the Council and Six Town Housing.

These are to be used to support and assist advisors and collection agents to be able to promptly identify vulnerable individuals in order that each person can be treated with dignity and that their individual situation can be dealt with in a sensitive and responsible way.



People who are considered vulnerable will find themselves in a range of situations and it is important to remember that in many cases people will have tried very hard to manage and will not have deliberately created the situation they find themselves in.

By the time the individual comes to the attention of the debt recovery service it is important to consider that in many cases they may be very concerned and worried about owing money to the Council and/or Six Town Housing and are highly likely to have many other debts as well.

The corporate debt approach will ensure we are working together to support our vulnerable. Having early indicators will highlight potential problems then tailored help and support can be put in place a lot sooner. Cases can then be closely monitored and reviewed and costly, crisis management avoided.

#### **4.7 People who are Vulnerable**

People are considered to be vulnerable for many different reasons. Some of these reasons are as follows: -

- Appears to be elderly and it appears may be easily confused.
- Appears to be physically or mentally ill, severely disabled and/or appears to be suffering mental confusion.
- Is heavily pregnant or has young children less than 5 years old and severe social deprivation is evident.
- Is having difficulty communicating due to profound deafness, blindness or language difficulties and there are no local facilities available to reduce these difficulties.
- Long term serious health problems or terminal illness.

The above list is not exhaustive and each situation will be viewed individually, but it is essential that vulnerabilities are captured and flagged up for the effective delivery of a corporate debt approach.

#### **4.8 Indicators**

Based on the above descriptions, the member of staff or collection agent can make a decision about whether a nonpayer may be considered vulnerable. The initial request to consider a person as vulnerable may come from a third party, for example the Citizens Advice Bureau, Social Services, Housing.

The examples above are only a guide and each case has to be considered based on the person's individual circumstances.

Any non-payer who is considered potentially vulnerable needs to be flagged up immediately to the Corporate Debt Manager. The account should be marked with the appropriate code on the respective computer systems and full details of vulnerabilities made available. Recovery proceedings will be amended or adjusted accordingly in line with current procedure and legislation.

Any non-payer identified as being vulnerable and having multiple debts across the Council and Six Town Housing needs to be referred to the corporate debt manager immediately, using the agreed referral process.

The Corporate Debt Manager will fully consider any referral and explore any additional measures that could be used more effectively to collect money for the Council and Six Town Housing whilst supporting the customer.

All referrals are assessed on a case by case basis to ensure that the right level of support is delivered to the right person for the right period of time. This will maximise success rates by offering a more efficient and effective alternative approach to customers where historical traditional methods may have failed.

With the nonpayer's consent, further information may be obtained from medical practitioners, social services and other relevant professional partners. It is imperative that this stage is completed as quickly as possible so as to limit any uncertainty or anxiety on the part of the customer concerned.

## 4.9 Family in Crisis

In order to determine a 'Family in Crisis' a comprehensive review of the individual/family circumstances will be carried out based on the individual circumstances of the case and all other options will have been explored.

For Corporate debt purposes a Family in Crisis' will be:

- A family/individual who is unable to financially cope and is in genuine need
- A family/individual who has multiple debts across the Council and genuinely no means of repaying them
- A family/individual who is high costing to the Council and getting deeper and deeper into debt with the Council

The corporate debt manager will fully review all cases, consider alternative methods to effectively support the customers capacity to re-pay outstanding debts and arrange case conferences where appropriate.

## 5.0 Clear Outcomes of a Partnership Approach

### 5.1 Additional Help and Support

We are in a period of financially challenging times and with the significant impacts of the Welfare Benefit Reforms, many of our lowest income families and vulnerable customers will be struggling to cope.

The council recognises that we need to support our customers through these radical changes.

The Corporate Debt Policy ensures we have a professional consistent approach to separate the nonpayer who won't pay and the nonpayer who genuinely can't pay.

It also ensures we are committed to developing and delivering additional measures to protect our most vulnerable and support our families in the most genuine need.

We have developed excellent partnerships across the public, private and third sector. As a result of joint working are able to provide a range of valuable services and opportunities for our customers.

### 5.2 Our Joint Partnership Approach

### 5.3 To Increase Personal Capacity, Prevent Raising Debts and Reduce Dependency.

- Increasing personal capacity – We are working with the third sector to provide free, independent advice and support with welfare benefits, dealing with debts and increasing personal budgeting skills. A three tier approach to debt advice will be delivered to meet the individual needs of customers and move towards self sufficiency and independence. A variety of free debt advice and support will be available online and over the telephone utilising the services of Step Change Charity (formally CCCS). Face to face contact, home visits where needed and a direct route for customers needing specialist debt advice is available through our partnership with Bury District CAB. Joint work with the ESF providers ensures that intensive flexible support is in place for our most disadvantaged families in order to reduce dependency and increase opportunities.
- Creating sustainable employment opportunities – An excellent partnership approach has been developed delivering a range of valuable services to tackle multiple problems at the first point of contact and help customers help themselves. We have local partnerships in place with the Department of Work and Pensions (DWP) and the local contractors delivering the work programme within the private sector. A fully integrated reception area is operational, delivering a range of local services to meet the specific needs of individuals and prepare and support people into work. Joint work with the National Careers Service ensures our customers who need help, are able to access flexible support and training opportunities. Building confidence, gaining new skills and supported in to sustainable employment.

- Providing access to affordable lending facilities and basic bank accounts – Bury Council has worked in partnership with Six Town Housing to successfully secure relevant approvals and funding to establish a Credit Union across the borough. This will provide a range of additional measures to support our most disadvantaged customers, reduce financial exclusion and protect future revenue. A Credit Union will provide an alternative to high interest pay day loans which are commonly used amongst our families on the lowest income. Access to budgeting skills and money management training. It will also provide a range of accounts which can help our customers manage their money better, support our most vulnerable and protect future revenue.

## **5.4 High level case conferences**

Will be introduced to a limited group of customers in genuine need where there are multiple complex debts and issues in order to take a direct, pro-active corporate approach.

The Council and Six Town Housing will agree a protocol that will be used by the corporate debt manager to signpost 'Families in Crisis' to be considered on an individual case conference format. This will ensure that a fair and consistent approach is being used across the borough.

The members of the case conference will be heads of service/director level and any specialist advice worker or advocate who has a direct interest or involvement in the case and the ability to authorise the measures agreed at the case conference.

The purpose of the case conference will be to review all of the surrounding circumstances, agree immediate remedies to prevent further risk to Council/Six Town Housing revenue and support the customer in genuine need. With the immediate risks removed it will also include an established way forward for the customer that is sustainable and the customer is able to maintain.

These could include:

- Writing off some current debts, where they are high costing to the council with low or no ability to repay by the customer.
- Exploring the use of existing grants or funding which could be utilised to repay current debts and appropriate measures needed to support the customer to prevent future problems.
- Considering the current cost of recovery, for example, eviction / re-housing against the current amount of debt and agree the most appropriate way forward.
- Utilise new local provisions like the credit union and hen project, to provide customers with an alternative way of dealing with debt, accessing support and building personal capacity.

The case conference will also agree short and medium term strategies to secure repayment of debt and will give consideration to timescales, options to prioritise some debts and consider suspended recovery on others. Make sure the customer has a sustainable way forward with agreed support in place.

The Assistant Director of Finance (Section 151 Officer) will make any overarching decisions as appropriate in relation to a Corporate Debt Approach.

## **6.0 Principles of Recovery**

### **6.1 Consistency and Proportionality**

Measures are taken to ensure that all people are treated in a consistent manner. Special arrangements may be entered into for payments outside the statutory procedures and payments are usually requested which clear the ongoing debt and an amount off the arrears. Where extreme cases of hardship are identified, these may be given extra consideration. All debts owing to the Council and Six Town Housing will be collected in a clear and consistent manner.

As part of the action plan, further analysis of low value cases and case studies where the value of the debt is significantly increased by court; bailiffs' and agents' costs will be carried out.

## **6.2 Information sharing**

Debtors should be encouraged to tell the Council/Six Town Housing or advice agencies where they owe money to more than one department of the Council and to seek advice as quickly as possible.

Where information comes to the attention of one department that the debtor also owes money to another department, that knowledge shall be shared and a common approach agreed, having regard to the current limitations imposed by the Data Protection Act 1998. This will be developed and included in the action plan. A form of authority will be obtained from the customer in all corporate debt cases in order to remove any barriers that prevent the sharing of information across the Council and Six Town Housing.

## **6.3 Procedures and Training**

Although there are variations in the procedures of different departments, they must reflect the Council's requirement for a corporate approach to recovering debts based on the debtor's ability to pay.

Procedure manuals should be available for employees to follow, reinforced by training and management control.

A procedural statement, including a code of conduct, already forms part of the Council's contract with bailiffs acting on its behalf for the recovery of Council Tax.

## **6.4 Monitoring**

Information about the effectiveness of the Council's policy will be used to carry out reviews at regular intervals. This includes ensuring the `crisis approach` encompasses the right customers and consideration of its` effectiveness in helping solving debt problems.

In future monitoring, it will be important to assess the effectiveness of the policy in bringing to light cases of hardship and responding to them sensitively, the effect on the collection of money owed and the effect on the workload of the advice agencies

All outcomes in relation to debts reduced, income maximised and increased dependency will be captured, monitored and reported on. As well as measuring the success of a corporate debt approach this will also help to identify future risks and mitigate against the impacts.

Corporate Debt Policy

# Current Recovery Policies

Bury Council  
And  
Six Town Housing



In accordance with the provisions of the Local Government Finance Act 1992, the Council is responsible for levying and collecting Council Tax that is payable on all occupied and unoccupied domestic properties, which are not exempt and are situated within Bury.

The Revenues Operational Manager on behalf of the Council has a duty to recover all outstanding amounts of Council Tax and at all times staff within the Revenues Department will operate according to the Council's strategy.

### **Policies Specific to Council Tax**

It is important that anyone who does not pay their Council Tax by the due date is pursued for payment quickly.

The collection and enforcement of Council Tax are governed by the "Council Tax (Administration and Enforcement) Regulations 1998

When an instalment or part of an instalment is missed a first Reminder letter will be sent.

Where any overpaid Council Tax Support has been made the amount will be debited back to the charge payer's account.

If the charge-payer fails to make payment or contact the Council following a first Reminder, a Summons will be issued without further notice and costs will be incurred. If payment is received following receipt of 2 Reminders, and they fail to make payment on time on a 3rd occasion, a Final Notice will be sent meaning they will lose the right to pay by instalments and the full balance will become due within seven days.

If no contact has been made following the Final Notice, the Council will issue a summons for the charge payer to appear before the Magistrates' Court for non-payment of the outstanding balance of the Council Tax.

Explanatory notes will be issued with the summons notice explaining the implication of Council Tax enforcement.

If the charge-payer contacts the Council and agrees an arrangement to pay following a summons the resident's employer details will be recorded.

Should the account not be settled by the Court hearing date, the Council will make an application for a Liability Order plus costs.

Where employer details are supplied an attachment to earnings may be considered as an alternative to recover the outstanding debt. This course of action would supersede the use of bailiffs to call/remove goods if appropriate.

Where information about relevant benefits is provided an attachment to benefit may be arranged to recover the outstanding debt. This course of action would supersede the use of bailiffs to call/remove goods.

The council tax recovery section has established links in place with the CAB for any customers obtaining third party help and advice.

The Council encourages charge payers to contact prior to the Court hearing to pay in full or make an arrangement. They can also resolve any queries they may have, and reduce the need to attend Court as a Liability can be obtained in their absence and kept on file pending an arrangement being kept to.

Staff attending Court will be fully prepared to assist the charge payers who may choose to attend Court for the Liability Order hearing and ensure they have a written breakdown of summons and Liability Order costs available.

A Council Tax Notice of Liability Order and information request with details of the possibility of bailiff action or other recovery action will be issued to the taxpayer within 3 working days of the Court hearing.

Should the debt fail to be recovered by the bailiffs, they will return the case back to the Council in order that they can consider the next form of recovery action.

The Council may consider, where appropriate: Charging Orders, Petitions for Bankruptcy, or take steps to instigate petition for a means enquiry hearing. In addition, the Council may consider Committal to Prison action against habitual late payers for those that intentionally refuse to make payment and/or fail to contact the Council.

### **Bailiff/External Agency Recovery**

When the services of Bailiffs/External Agency Recovery have been determined a service level agreement will exist along with formal written procedures specifying the standard of service to be provided and will cover the following matters:-

- The initial bailiff visit will be expected to be made at the earliest opportunity of receipt of the case.
- Where no contact has been made within office hours then at least one visit will take place outside normal working hours.
- There will be specific procedures agreed with Council officers for the removal of goods.
- The Council will be able to access the external bailiff's system via a complete link in order to make appropriate enquires.

### **Committals**

The Council will send a pre-committal warning letter prior to commencement of proceedings, allowing the charge payer the opportunity to attend an appointment and make payment.

Any committal summonses will be served using methods agreed by the Council.

Where the resident fails to respond a means enquiry summons will be issued.

The Council will charge costs up to the statutory maximum at the time of issuing a means enquiry to cover reasonable costs against the charge payer.

### **Write-Offs**

Any Council Tax debt which is identified for write off will be considered in accordance with the Council's Corporate write off policy.

**Council Policy**

The Council is responsible for the levying and collection of Business Rates (NNDR) for all occupied and unoccupied hereditaments on the Rating List which are not exempt.

To ensure arrears are kept to a minimum, it is essential that the Council operates an effective and efficient approach to the collection of Business Rates using the methods determined by legislation and regulation.

The Business Rates Manager on behalf of the Council has a duty to recover all outstanding amounts of Non Domestic Rates and at all times staff within the Business Rates team will operate in compliance with the Council's Corporate Debts Policy.

**Policies Specific to Non-Domestic Rates**

Billing, collection and recovery of Business Rates is managed by the Councils Business Rates team.

It is important that anyone who does not pay their Business Rates by the due date is pursued for payment quickly.

When an instalment or part of an instalment is missed a Reminder letter will be sent.

If the charge payer fails to make payment or contact the Council following the reminder letter, a Summons will be issued without further notice and costs will be incurred.

If payment is received following receipt of the reminder letter but the charge payer then fails to pay on time on a 2<sup>nd</sup> occasion, a Final Notice is sent which cancels the right to pay by instalments. If no payment or contact is made following the issue of the Final Notice, a Summons will be issued without further notice and costs will be incurred.

Explanatory notes will be issued with the Summons notice explaining the implication of Business Rate Enforcement.

If upon receipt of a Summons a charge payer contacts the Council and agrees to a special arrangement, the agreement will be confirmed in writing.

Should the account not be settled by the Court Hearing date, the Council will make an application for a Liability Order plus costs. This includes cases where a special arrangement has been made.

The Council encourages charge payers to contact prior to the Court Hearing date in order to pay in full, make an arrangement or resolve any queries.

Staff attending court will be fully prepared to assist those attending court for the Liability Order hearing and ensure they have a written breakdown of summons and Liability Order costs available.

If no arrangement is made to clear the Liability Order debt, the usual form of recovery would be to pass the case to the bailiff for collection.



Should the debt fail to be recovered by the bailiff they will return the case to the Council so that the next form of recovery can be considered. For example, a petition for bankruptcy/liquidation/winding up may be sought. In the case of individual liability a means enquiry could be undertaken.

### **Bailiff/External Agency Recovery**

When the services of Bailiffs/External Agency Recovery have been determined a service level agreement will exist along with formal written procedures specifying the standard of service to be provided and will cover the following matters:-

- The initial bailiff visit will be expected to be made at the earliest opportunity of receipt of the case.
- Specific procedures for the removal of goods.
- The Business Rates office applies a “fast track” method with the bailiff where the van bailiff proceeds with immediate effect.
- The Council should be able to access the external bailiffs system via a link in order to make enquiries.

### **Write Offs**

Any charge payers debt which is identified for write off will be considered in accordance with the Council’s Corporate write off policy.

An overpayment of Housing Benefit (HB) is any amount which has been paid but to which there was no entitlement. This includes any amount of

- Rent rebate or rent allowance paid in excess of entitlement
- Rent rebate credited to a rent account in advance of entitlement
- Rent allowance paid on account which is in excess of entitlement

The Benefits Manager on behalf of the Council has a duty to recover all outstanding amounts of overpaid Housing Benefit and Council Tax, and at all times staff within the Revenues Department will operate according to the Council's policy. However, some overpayments are irrecoverable; for example, those caused by official error where the claimant could not reasonably have known that they had been overpaid or where they had not contributed to the error.

Officers assessing claims will decide if the overpayment is recoverable at the time of processing the overpayment. Any overpayment considered irrecoverable will be referred to a senior officer for a final decision.

It is at the discretion of the Council whether to recover an overpayment. Where known, the personal circumstances of the claimant should be taken into account when deciding whether to recover the overpaid amount.

### **Who to recover from**

When deciding who an LA can recover an overpayment they must.

- Decide whether the landlord has reported the overpayment in writing, and if so whether all criteria listed in HB Reg 101(1) have been satisfied.
  - If it has, then it can't be recovered from the landlord
  - If it hasn't, the LA must consider whether to seek recovery from the landlord when considering HB Reg 102 (2)
- Decide whether the overpayment was caused by an official error
  - If it was, the overpayment is only recoverable from the persons who could reasonably have been expected to realise they were being overpaid. This could be the landlord and claimant
  - If it wasn't, the LA must consider whether the overpayment was caused by someone who misrepresented or failed to disclose information.
- Decide who misrepresented or failed to disclose information.
  - If one person misrepresented or failed to disclose information, the overpayment would be recoverable from them
  - If more than one person misrepresented or failed to disclose information, the overpayment could be recoverable from both or either if
    - ~ One person was more at fault, recover from them
    - ~ Both people were equally at fault, recover from both of them

- No one misrepresent or failed to disclose information, the overpayment would be recoverable from the
  - ~ Claimant and
  - ~ Person to whom the overpayment was paid.

Once an LA decides on who an overpayment can legally be recovered from (this decision holds a right of appeal) they must then make a further decision on who they are actually going to recover from (this decision does not have a right of appeal). The Council will make this judgement based on evidence available to them at the time.

## **Recovery Methods**

The Council can recover overpayments by any lawful means. One or more of the following methods of recovery may be employed dependant upon the individual circumstances of each case.

### **Recovery from Ongoing Benefit – Rent Allowance or Rent Rebate**

Where a customer continues to receive Housing Benefit the Council will make deductions from ongoing payments of Housing Benefit having regard to their financial circumstances. Where appropriate the Council will recover debts at the weekly amounts set by the Department of Works and Pensions (DWP).

As well as the above-mentioned rates of recovery, the Council will also increase deductions, where appropriate, by half (50%) of any of:-

- The earnings disregard, if applicable
- Regular charitable income or voluntary payments, if applicable
- War Disablement or War Widows Pension, if applicable.

In all above-mentioned cases, the recovery amounts are subject to an overall maximum deduction, which does not reduce the benefit payable to less than £0.50 pence.

In addition the Council can ask another Council to recover overpaid benefit on its behalf.

The Overpayment notification letter provides information to the claimants about the overpayments and their appeal rights.

## **Invoice**

If HB is no longer in payment then the person who is to be held responsible for repayment will be issued with an Invoice for payment in full within 14 days.

If after 15 days we have had no contact then a reminder notice will be issued.

If after a further 15 days we have had no contact then we will attempt to contact them by to arrange a repayment but if this is unsuccessful then a Final Notice will be issued.

If the customer contacts us and a suitable re-payment arrangement is made then the following payments methods will be accepted: -

- Cheque/debit card
- Standing Order
- At any Post office or shop with a Pay point sign by using a barcode
- At any Council payment office or library
- Over the internet at [www.Bury.gov.uk](http://www.Bury.gov.uk)

If after 30 days we have had no contact we will attempt to try and recover the overpayment by one of the following methods.

The recovery of fraud overpayments are prioritised by interviewing claimants immediately after they have been issued with a Formal Caution or Administration Penalty and making arrangements with them to clear the debt. The Council's Benefit Fraud manager may make use of the Proceeds of Crime Act to try and secure any assets that are deemed to have been accumulated through criminal activity

### **Deduction from certain DWP benefits**

The Council may ask the DWP Debt Management Office to recover a Housing Benefit (HB) overpayment by deduction from certain DWP benefits, as prescribed by Regulation.

Where necessary entitlement to benefits will be identified through the Customer Information System (CIS) connected to the Department for Works and Pensions Database.

### **Debt Recovery Agency**

The overpayments can also be sent to a debt recovery agency that will phone and write to the claimant to try and get an arrangement to pay. If no contact/arrangement is made a doorstep visit will be made. This is all within a service level agreement we have with the debt recovery agency.

### **County Court action**

Where standard recovery action has failed to recover the debt, it may be recovered in the County Court. An application for an order will have to be made and this allows us to attempt the following recovery action. Recovery via

- Attachment of Earnings,
- Garnishee Order,
- Bailiff or
- Charging order (enforcing the sale of a property).

These action's and the obtaining of the County Court order all incur added costs which are payable by the debtor.

### **Tracing Nonpayer's**

All available resources will be used to trace nonpayer's including data matching options, Experian searches, and utilisation of the DWP Customer Information System. External Tracing Agents may also be deployed when all other avenues have been explored and it is cost effective to do so.

### **Write Off**

Write off action will be taken in accordance with the principles set out in the Council's Corporate write off policy.

The Housing Benefit Overpayment Officer will retain details of all outstanding overpayments where benefit is no longer in payment, in the event of future benefit being awarded, enabling recovery in the future.

**Council Policy**

To ensure compliance with the restrictions within the Council car parks and the Borough highways the Council is authorised to issue Penalty Charge Notices to vehicles parked in contravention of the restrictions as stated in the Traffic Management Act 2004.

**Policies specific to Parking Enforcement**

Penalty Charge Notices (PCNS) will be issued to contravening vehicles whenever an enforcement officer deems it necessary.

The recovery of the fines is the responsibility of Parking Services and for reasons of segregation of duties and safety, the enforcement officers are not allowed to take payment for the PCNS they issue.

Collection of penalty charges will be in accordance with the Traffic Management Act 2004.

Through-out the life of the PCN, Parking Services should make every attempt to recover the amount due at every stage in the proceedings.

The Council has the discretion to cancel a Notice for various reasons and therefore not proceed with the fine. The powers of discretion in these cases can only be exercised by the Car Parking Manager.

At all times the Council will act legally and promptly in all cases where payment is overdue.

Before a notice is passed to a bailiff for collection all statutory methods of enforcement must have been taken. Notice to owner, Charge certificate, and statutory declaration.

Where every effort has been made to recover up to the statutory declaration stage, Parking Services in conjunction with the Car Parking Manager will consider cases to be put forward for a warrant of execution.

Once the Court are happy that all the statutory steps have been taken and the warrant has been granted to the council further recovery action can be considered.

Should the office team not be able to collect the amount due then the warrant can be passed to one of the Council's bailiffs for collection.

**Write-Off**

If Parking Services and bailiffs have not been able to recovery the money the office team must consider the case to be listed as unable to recover and put onto a write off list to be considered and signed by the Executive Director of Resource. As well as the name, address and amount the list should also show the types of recovery action that have been taken. Write off action will be carried out in accordance with the Corporate write off policy.

Rent collection and arrears recovery is vital to the sustainability and financial viability of Six Town Housing. The service is delivered through our Rent Income Team which has a clear focus on :

- Developing a positive payment culture.
- Prevention and early intervention.
- Welfare and debt advice services.
- Timely intervention, including legal action where required.
- Provision of affordable credit and banking facilities through the credit union.
- Clear contact with tenants.

All customers whether in rent arrears or not have an equal right to a service that offers advice and assistance on how to maximize their income.

### **Policies specific to Rent Collection**

Six Town Housing adopts a structured approach when dealing with tenants in rent arrears. There are clear stages that must be followed in every case with appropriate contacts.

**Stage 1:** Contact must be made within the first 2 weeks of rent arrears occurring. Ideally this would be within the first week as this will assist in debt prevention

**Stage 2 :** Contact with the tenant when they owe a maximum of 3 weeks rent but again ideally at two weeks rent, if stage 1 has failed to adequately resolve the situation.

**Stage 3:** Serve Notice of Seeking Possession (NSP) once the tenant owes 4 weeks rent, or £100 if four weeks payable rent is less than this. Tenant is advised with regard help available through external agencies.

**Stage 4:** An application to court for possession should be made immediately on expiry of the 28 day period specified in the NSP if payments are not maintained or the tenant has not made contact and made an acceptable offer to pay. Tenant is advised with regard help available through external agencies. All risk assessments are carried out.

**Stage 5:** A date for hearing the possession application will be set by the County Court. Tenant advised and invited in for an interview, where help will be provided to try and resolve any queries they may have.

**Stage 6:** On the court date a Rent Officer will attend and the tenant will be interviewed before the hearing where help will be provided to try and resolve any queries they may have. The outcome of the Court hearing will be recorded and a letter sent to the tenant.

**Stage 7:** If the tenant fails to maintain payments in line with the terms of a court order, contact will be made with the tenant to arrange a pre-eviction interview.

**Stage 8:** If the tenant does not pay as agreed , request an eviction warrant . All risk assessments are carried out.

**Stage 9:** Eviction date set by the court, inform the tenant.

It is important that the recovery procedure is followed and all the necessary checks are carried out when considering the next stage of action. It is important to discover all the facts from the customer when discussing rent arrears and debt advice should be given in appropriate cases. Where a tenant is known to have multiple debts we will work with external agencies for assistance where necessary. Referrals can be made at any stage and preferably as early as possible. Referrals should be made in any event at application to court and/or eviction application as per the Pre Court Protocol.

All our letters contain information where payments and help is available. We also have information on our website, with details of Housing Benefit and Citizens Advice Bureau surgeries and appointments that can be made at Six Town Housing.

### **Write-Offs**

Write off action will be taken in accordance with the principles set out in the Council's Corporate write off Policy.

## **Council Policy**

The Executive Director of Resources on behalf of the Council has a duty to recover all outstanding amounts.

It is essential to maintain Council services offered by recovering any costs for those services provided. It is imperative that invoices are paid to ensure the continuance of services.

## **Policies Specific to Sundry Debts**

Sundry nonpayer invoices are raised by whichever department is responsible for provision of the service provided. A full individual's name or company name and address, including postcode is required. Invoices should be charged to the correct cost centre and VAT code. A detailed description of the service should be provided. Authorised other evidence and details of the relevant legislation applicable must be retained by the originating Department in order to provide an audit trail confirming the debt raised is valid and to enable the original documents to be used if applicable for court proceedings.

The responsibility for the billing, collection and recovery of sundry nonpayer demands is held by the Collections Manager.

A sundry nonpayer debt can be cancelled at any stage of recovery action providing the proper procedures are followed. Service providers must endeavour to obtain payment in advance or at the time of service delivery wherever possible.

At all times the Council will act legally and promptly in all cases where payment is overdue. Invoices will be issued promptly with sufficient information to explain the charge. In the event of non - payment a reminder will be issued. If payment is still not made, a Letter Before Action (LBA) will be issued.

Debts at LBA stage may be reviewed by a member of the Sundry Debtor's team, who will decide on the progression of the debt based upon the debt type, amount, previous recovery history and legally appropriate recovery methods.

If the debt has been deemed to be recoverable, the Sundry Debtor's team will review the debt and the next steps to be taken in accordance with the Council's Vulnerable Person's Policy. This may include the use of Experian where appropriate to carry out financial/ historical searches and the Insolvency Services website to check that the non - payer is not bankrupt. The use of Experian for searches will be monitored by the Collections and investigations Manager. A Land Registry search to verify property ownership may also be carried out at this stage.

After the methods discussed above have been exhausted, where legally permissible, the provision of future services to the non - payer may be suspended until outstanding debts are settled after discussion with the appropriate service manager.

If a LBA has been issued, and if after the specified time payment has not been made, a County Court Claim may be issued. Alternatively, the debt may be referred to a debt collection agency to collect the debt on behalf of the council. Should a County Court Claim be issued, this will result in a County Court Judgment (CCJ) being lodged. This may affect an individual's credit rating and make any type of future credit agreement difficult. It should be noted that once a County Court Claim has been issued, Court costs and interest will be added to the debt.

Once a CCJ has been obtained, the Council will act to enforce it, which may include an attachment of earnings order, bailiff action to seize goods to the value of the debt, an order to attend Court for



questioning, bankruptcy proceedings (for debts above £750), High Court Sheriff collection, Garnishee Order or outside debt collection agents visiting the property.

A charging order may be obtained on the non-payer's property, which will remain in place until the property is sold, although this may be enforced sooner by proceeding with an order for sale.

To prevent any of the recovery action shown above, it is important that contact is made between the non-payer and the Council to seek reasons for non payment. If appropriate and agreeable with the Sundry Debtor's Team, instalment agreements can be arranged depending on individual circumstances.

If the debt is deemed as non-recoverable, the Customer Accounts Team leader will apply the Corporate write off policy.

Ownership of all Sundry Debts rests with the originating departments. It is their responsibility to:

- Issue an instruction to cancel an invoice, using a credit note request form.
- Correspond with or discuss with the non-payer issues relating to the validity of the debt; and determine what, if any, services should be provided to non-payers who are in arrears. The Sundry Debtors Team will provide reports to the originating Departments on a regular basis as to the value of their outstanding accounts with a monthly report showing the status of debts raised by each department.
- Request that any debt be written off.

It is the responsibility of the service department to determine how to supply services to a non-payer who is already in arrears. However, prior to a Council service being withdrawn completely from a non-payer, the service Department must identify if the service can be legally stopped and then contact the nonpayer to explain the action about to be taken and the reasons behind it.

Where a non-payer has legally passed on his/her responsibility of their finances to their representative, the representative will be held liable for all charges incurred by the customer. In the event of non payment the Council will pursue recovery of monies owed against the appointed representative. This may result in Court action to recover any outstanding sums.

### **Cancellation of Sundry Debt Invoice**

Where a charge has been found to be incorrectly raised, in full or part, it is the responsibility of the originating department to raise a credit note to cancel, or reduce, the original charge.

The department should complete a credit note request form, detailing the reasons for the cancelation/reduction, duly signed by an authorised officer, and keep the details available for inspection by internal audit as required.

### **Write Offs**

The Sundry Debtors Team will provide the following details to the Executive Director of Finance to enable that officer to decide on whether or not to write off a debt:

- Non-payer reference
- Total sum
- Reason for debt
- Action taken to date to recover the Sundry Debt which is identified for write off will be considered in accordance with the Council's Corporate Write Off Policy (See Appendix 7).

The Council recognises that there will be instances where there will be credit balances on accounts and as such reference is made to the Write On Policy (See Appendix 7). This will apply to all of the debt types as set out within this document.