

CORPORATE DEBT POLICY AND GUIDELINES

The Policy Aims

The aims of the policy are

- To ensure a professional, consistent and timely approach to recovery action across all of the Council's functions
- To cost effectively pursue all debts owed to the Council, and to ensure that those with the means to pay do pay
- To treat individuals consistently and fairly, regardless of age, sex, gender, disability, and sexual orientation and to ensure that individual's rights under Data Protection and Human Rights legislation are protected
- Encourage customers to contact us as soon as there is a problem with payments.
- To enable people who fall into arrears to come to payment arrangements with RDC appropriate to their circumstances
- To ensure that debts are managed in accordance with legislative provisions and best practice
- To promote a coordinated approach within the Council towards sharing debtor information and managing multiple debts owed to the Council
- To improve the levels of income collected by the Council

The Scope of the Policy

The main service areas involved in debt recovery are Finance, Revenues & Benefits and Legal Services. This Policy is not intended to cover parking fines. The debts involved are primarily:

- Council Tax
- National Non Domestic Rates
- Overpaid Housing Benefit
- Sundry Debtors

Code of Conduct

For the purposes of this policy, a debt shall be defined as any amount of council income that has not been paid by the due date.

All Council bills and invoices will be raised as soon as it is practicable, and will include clear, relevant and full information as to:

- What the bill is for
- When payment is due
- How to pay

- How to contact us if there is a query in relation to the bill or making payment

All such correspondence will be clearly written, without the use of jargon and will contain, where appropriate, information about where to get independent advice eg. Citizens Advice Bureau.

- Advise people where they can get independent advice with financial problems
- The Council will inform people of their entitlement to benefits, discounts, relief's and exemptions
- Try to ensure that maximum take up of benefits occurs
- Inform people of the general availability of income related benefits
- Train staff who deal with the public on debt matters to be aware of the benefits that are available so as to ensure maximum take up of benefits

The Council will actively encourage people to get in contact at an early stage if they are having difficulty paying and, when appropriate, advise them where to get independent advice. If an individual contacts the Council early, officers will be able to discuss the situation and consider a payment plan appropriate to their circumstances to help them out of debt as quickly as possible.

Debtors will be encouraged to make prompt contact if they disagree with a bill or have difficulty in making payment on time. Contact can be made by:

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| • Telephone | 01702 546366 |
| • Letter | Rochford District Council
South Street
Rochford
Essex
SS4 1BW |
| • Email | information@rochford.gov.uk |
| • Fax | 01702 545737 |
| • In person | |

Problems and bill discrepancies raised will be resolved as quickly as possible to prevent unnecessary delays in payment and incorrect debits.

All debtors seeking help due to financial difficulties will

- Be given the opportunity to have their ability to pay assessed by the relevant collection unit
- Be invited to provide details of their means by listing their income and outgoings (evidence to confirm the accuracy of the means statement will be requested if necessary) and, if appropriate, to provide details of assets and any debts owed to other organisations.
- Be encouraged to use the services of the money advice services available from the Citizens Advice Bureau
- Be asked if they have other debts owing to the Council.

If legal proceedings have already commenced, consideration will be given to:

- a) whether the debt can firstly be attached to earnings or benefits,
- b) the priority of the debts owed, and
- c) the level of repayments currently being made.

If a specific recovery action has already commenced e.g. attachment of earnings or bailiff action, the action taken will usually continue. However, any arrears not included in the action will be considered in line with existing arrangements and this policy. If it is found that the debtor has the ability to pay, but refuses to pay, then recovery action will continue promptly within the existing arrangements for the type of debt.

If it is found that the debtor is suffering severe hardship or has difficulty managing their own affairs, the following will be considered:

- Can we reduce the debt?
- Are they entitled to take up relevant benefits, discounts, exemptions and reductions to minimise the potential for debt accrual?
- Does the debtor owe money to other Council collection units? If so, the debtor will be advised that, with their consent, all their Council debts may be taken into consideration when deciding on an arrangement. However, it is for the debtor to decide if this is an option they want to pursue
- Can we hold recovery action and offer to refer cases to the Citizens Advice Bureau? This will suspend additional costs to allow reasonable time for the CAB to assist the debtor and if necessary prepare a financial statement for them. However, it should be noted that this would not be practical in the collection of Council Tax and NNDR, as this would severely restrict the efficient collection of debt.

Reminder letters would continue to be sent out by the appropriate service area, but after the final reminder letter outstanding debts will be handed over to the Revenues and Benefits Recovery Team. Sundry debts will only be passed to Legal Services for action where the Recovery Team have exhausted all recovery options.

If a debtor fails to co-operate by:

- Refusing to provide details of their means, or
- Not consenting to multiple debts being dealt with together, or
- Failing to pay a special arrangement on time without contact,

Then recovery action will be taken promptly in the normal way.

Limitations on Debt Recovery

All external bailiffs appointed will be given a code of conduct requiring them to refer to the Council, before proceeding to take action, in the following circumstances:

- The debtor appears to be over 70 years old
- The debtor is severely ill or disabled
- The debtor has young children and severe deprivation is evident
- The debtor disputes liability or claims to have applied for a rebate which has not yet been granted
- The debtor is currently consulting his or her District Councillor or MP

Monitoring

Each service area will be responsible for ensuring that this policy is adhered to and effective. The Recovery team will provide the originating service area with quarterly

reports on the status of each debt handed over to them. Legal Services will provide the same quarterly report to their originating service area.

Internal Audit will test compliance with this policy in future reviews.