



Corporate Debt Policy





Contents

1. Introduction	2
2. Scope	2
3. Purpose and Objective	2
4. Principles	3
5. Debt Priority	3
6. Providing Support and Advice	4
7. Customers with Multiple Debts	4
8. Assessing the Customer's Ability to Pay	5
9. Supporting Vulnerable Customers	5
10. Enforcement Agents	6
11. Write-off and Write on	7
12. Monitoring Performance	7
13. Review	7

1. Introduction

Selby District Council has a duty to ensure that all revenue owed is collected efficiently and effectively for the benefit of all our tax payers and council tenants. As part of our modernisation agenda we are streamlining our process for ordering and receiving payment for services – introducing on-line upfront payments where possible to reduce the amount of debt we need to recover.

However, where invoicing is required we aim to be an exemplary organisation with regards to the collection of debt. The policy affirms the use of best practice methods providing high standards of customer service dealing with all customers in a fair and inclusive manner, whilst giving careful consideration to the needs of vulnerable customers. We will treat individuals consistently and fairly, ensuring that individual's rights under Data Protection, Equality and Human Rights legislation are protected.

The policy demonstrates commitment to the Council's Corporate Plan priorities, and also supports the Government's agenda to provide solutions that have prevention and intervention as key drivers for public service delivery to local people.

2. Scope

The policy covers all debts owed to the Council including:

- Council Tax
- National Non-Domestic Rates (Business Rates)
- Housing rents
- Housing Benefit Overpayments
- Sundry Debts (commercial & domestic fees & charges)

3. Purpose and Objective

The key objective of the policy is to provide clarity and consistency in our approach to the collection of outstanding debts.

The policy supports prompt, effective and efficient billing and recovery action, through making best use of available resources. Debts will be managed in accordance with legislative provisions and best practice, whilst ensuring high standards of customer service.

4. Principles

The policy is underpinned by the following key principles:

Minimising debt:

We will aim to reduce the levels of arrears, bad debt provision and write offs. We will take a fair and effective approach, providing consistency in the way customers in debt are dealt with across the council, and support our customers to manage their priority debts.

Proactive approach:

We will ensure customers are made aware of their liabilities, being approachable, encouraging customers to contact us at the earliest and every opportunity enabling officers to take into account customers' circumstances, their ability to pay and attempting to ensure financial hardship is not inflicted by having a realistic attitude to repayments. We will support customers to come to affordable payment agreements appropriate to their circumstances.

Preventative measures:

We will advise on any housing assistance or taxation discounts, reliefs and exemptions customers may be entitled to. We will assist with applications when appropriate and signpost customers to money advice, debt counselling and other support services available through our partners and in the voluntary sector, when additional assistance may be required.

5. Debt Priority

It is not the size of a debt that denotes it as a priority, but the result of the action e.g. rent arrears resulting in loss of home. We will prioritise (i.e. apply payments to) debts in the order as shown in the table below:

Domestic	Commercial
1. Rent	1. National Non Domestic Rates
2. Council Tax	
3. Housing Benefit Overpayments	2. Sundry Debts (commercial charges)
4. Sundry Debts (domestic charges)	

6. Providing Support and Advice

We will encourage customers to make contact with us as soon as they begin experiencing difficulties paying their accounts.

Our bills and letters will clearly show how the amount has been calculated and we will make them as easy to understand as possible.

We will also make every effort to advise people of their right to apply for benefits assistance, including pro-active take up campaigns as appropriate. We encourage customers to use our online benefit calculator to check if they would be eligible for any support.

We will also advise individuals and businesses of the range of other discounts, reliefs and reductions available at the time an account is issued and also in subsequent communications.

During both face-to-face contact and telephone communications, officers will direct customers as to where they can obtain further specialist advice on benefits and debt matters appropriate to their needs. On-line signposting will also be available to the tools available on other agencies websites, such as budget planners and checks for eligibility to other welfare benefits

Where appropriate we will work with other agencies to assist customers who are receiving help and liaise with them on a local level to solve issues and answer queries.

We will keep up to date with, and where possible, sign up to current best practice.

7. Customers with Multiple Debts

Customers with multiple debts may need additional support to find a solution to their debt problems. They will be actively encouraged to share with officers, information on all debts, in order that the most appropriate action can be taken to address their debts.

The policy promotes a flexible approach to working with customers to agree the steps that need to be taken to help address multiple debts. In taking this approach debt management will vary from debt to debt as different solutions will be required.

8. Assessing the Customer's Ability to Pay

During the process of recovery, we will act in accordance with statutory regulations and advice issued by professional bodies e.g. Citizens Advice, Money Advice Service.

When recovering debts we will consider the customers financial circumstances and work with them to achieve mutually acceptable payment arrangements, allowing for recurring debts such as rent and council tax to be reduced within customers' means, whilst ensuring a satisfactory level of repayment for the Council.

We will review payment arrangements to offer flexible options, including different payment dates and amounts to assist those on fluctuating incomes.

We will endeavour to make payment arrangements with customers who are unable to settle their debt(s) in full. However, this may involve legal action being taken against the customer where appropriate.

9. Supporting Vulnerable Customers

We will ensure that arrears are pursued in a timely manner and in a firm but fair way.

We recognise that certain individuals will require more sympathetic and sensitive treatment and that some customers do not pay their debts for a variety of reasons. This may include poverty or other financial hardship, which we will endeavour to balance against our duty to collect.

We will deliver a service, which aims to meet the needs of each individual, and direct them to other support agencies, identifying vulnerable customers, where possible, at the earliest possible stage.

Vulnerability does not mean that a person will not be required to pay amounts they are legally obliged to pay. The cause of vulnerability may be temporary or may be permanent in nature and the degree of vulnerability will vary widely.

Whilst there are several characteristics which a person may have that others automatically consider them to be vulnerable, each case will be considered on an individual basis, taking into account all relevant factors.

There is no legal definition of a vulnerable person. Generally persons considered vulnerable are likely to be those who:

- a) Are elderly;
- b) Appear to be physically or mentally ill, severely disabled or suffering mental confusion;
- c) Have young children and severe social deprivation is evident
- d) Are heavily pregnant;
- e) Are in mourning due to recent bereavement (of immediate family).
- f) Have difficulty communicating e.g. due to profound deafness, blindness or language difficulties;
- g) Are in receipt of state benefits and/or on a low income and severe social deprivation is evident; and/or
- h) Are suffering from long term sickness or serious illness including the terminally ill.

10. Enforcement Agents

We will ensure we are responsive to our customers to avoid enforcement action being necessary. We will only take enforcement action when it is considered to be appropriate and effective.

We will refer cases to enforcement agents only after we have taken all reasonable steps to recover debt and after taking into account individual's circumstances e.g. the customer is known to be in one of the vulnerable groups listed in section 9. Where the customer is identified to be vulnerable we will consider each case on a case by case basis

If after referral to enforcement agents they identify a customer is vulnerable a procedure is in place for cases to be referred back to the local authority.

We will advise customers that any arrangements agreed to and not maintained will result in normal recovery sanctions being resumed. The customer will be advised of court costs that will be incurred if court action is taken. They will also be advised of any additional costs if further recovery action has to be taken and the debt is referred to a Debt Collection Agency or Enforcement Agent.

We will only employ enforcement agents who comply with the Taking Control of Goods Regulations 2014 and will ensure they act to an agreed Code of Practice with the authority which safeguards our customers.

11. Write-off and Write on

The Council recognises that a small proportion of its overall debt may not be collectable due to matters beyond its control and accordingly where a debt is assessed to be irrecoverable it will be considered for write-off. However, the Council will seek to minimise the cost of write-offs by taking all appropriate action to recover what is due.

Furthermore, if a debt is written off but circumstances change such debts will be considered for write-on and pursued to the full extent of the law. An example of when this may occur is if a debtor absconds with no forwarding address but is subsequently traced. A further example would be in insolvency cases where an individual/company goes bankrupt or is made insolvent, partial/full dividend(s) can be received many years later.

12. Monitoring Performance

The collection of rent, Council Tax, non-domestic rates and sundry debts are all under public scrutiny as Key Performance Indicators (KPIs). The efficiency of this policy and associated procedures will be monitored through the following KPIs, which are currently reported quarterly as part of the Corporate Performance Framework:

- % of Council Tax debt recovered;
- % of Council Rent debt recovered;
- % of Non-domestic Rate debt recovered; and
- % of Sundry debt recovered

13. Review

This policy will be monitored and regularly reviewed and updated where necessary to take account of changes in legislation and best practice. A full review of the policy will be scheduled for 3 years from its introduction.