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Revenues and Housing Support Services Recovery Policy

1) Introduction

- 1.1 For Local Authorities responsible financial management is critical to enable the delivery of core service efficiently and sustainably. We have a duty to ensure that income is maximised and all monies are collected effectively for the benefit of our preceptors, residents and tax payers. We want to ensure that we pursue robust yet fair collection and enforcement action that takes into account the vulnerabilities of some residents and provides support to residents and businesses to prevent problematic debt where possible.
- 1.2 Effective debt management is crucial to the success of any organisation. It is essential that this authority has clear policies and procedures to manage the recovery of debt. This policy has been designed so that the Council can achieve its aim to maximise income collection and minimise levels of debt by the most fair, efficient and cost effective means whilst identifying and providing support for our most vulnerable debtors

2) Aims

2.1 The aims of this policy are to:

- As appropriate, Identify, support for the management of multiple debts owed to the Council, ensuring that the customer's circumstances are taken into consideration
- Apply best practise to debt collection
- Maximise revenue through collection

3) Scope

3.1 The collection and/or debts involved primarily within this policy are:

- Council Tax
- Non Domestic Rates (NDR)
- Housing Benefit Overpayments
- Council Tax Support
- Housing Rent in Advance/Rent Deposit Scheme
- Sundry Debt (Commercial Waste)

3.2 The Revenues and Housing Support Service will seek the most appropriate and financially advantageous means of maximising the council's revenue. This policy contains information about how we will deal with customers through each stage of the recovery process. It is designed to ensure that we treat all customers

fairly and consistently whilst maximising opportunities to collect the revenue owed to the council.

4) Policies – The Common Denominator

- Every demand/invoice for money will be correctly addressed to the person who is liable to pay it.
- Demands/invoices will wherever possible, be issued as soon as practicable.
- The Council will attempt at all times to use the most appropriate and effective method of debt recovery in order to maximise income.
- The Council will encourage the most cost effective payment methods with the emphasis being on unmediated electronic means where possible. Unmediated in the context of electronic payment methods means a method of payment that requires no human intervention by Officers of the Council to achieve its crediting to the account in question.
- Equality and diversity considerations will be taken into account in accordance with the Council's Equal Opportunity Policy. Specifically staff seeking to recover debts will have regard to ensuring information is accessible through such means as, translation, larger print versions or sign language, as appropriate to the needs of the customer.
- Where the potential for a statutory benefit or discount exists in relation to the debt, efforts will be made to make the customer aware of such opportunities and they will be assisted and encouraged to apply for these.
- All notices issued by the Council will comply with corporate style guidance and be readily identifiable as being from the Council.
- Where either national or local performance indicators exist the Council will strive for top quartile performance and will publish its actual performance against these targets annually.
- The Council welcomes the involvement of welfare agencies where authorised by the customer in connection with debts due to the Council, and recognises the benefits that these organisations can offer both to the customer and the Council in prioritising payments to creditors and in maximising income available to the customer.
- The Council supports the provision of advice from external agencies and will work in conjunction with them, where the law allows.
- In cases of multiple debts there must be close liaison between services. Multiple debts are where the customers have significant debts in more than one service area; for example, Business Rates and Trade-waste. Such cases can present problems in determining the relative priority of the individual debt for both the customer concerned and the officers preparing settlement. In such cases officers are expected to liaise and agree an appropriate means of co-ordinated recovery which reflects these policy aspirations together with the need to balance repayment profiles across all debts due to the Council.

4.1 The Council recognises that prompt recovery action is key in managing its debt and maximising income. The Council therefore aims to:

- Regularly monitor the level and age of debt
- Set clear targets for the recovery of debt
- Have clear written procedures and policies
- Set priority for specific areas of debt and assess recovery methods to ensure maximum recovery
- Regularly review irrecoverable debts for write-off

5) Principles of Recovery

5.1 The Council will follow the principles outlined below

- Our action will be proportionate
- Our approach will be consistent
- Our actions will be transparent

Additionally our intention will be to be firm and fair, and our manner will be courteous

5.2 Proportionality: Proportionality allows for a balance to be struck between the potential loss of income to the Council and the costs of recovery.

5.3 Consistency: Consistency means taking a similar approach in similar circumstances to achieve similar ends. The Council's aim to achieve consistency in:

- The advice the Council gives
- The use of its powers
- The Recovery procedures used

The Council recognises that consistency does not mean simple uniformity. Officers need to take account of many variables such as:

- The social circumstances of the customer
- The customers payment history
- The customers' ability to pay

5.4 Transparency: Transparency is important in maintaining public confidence. 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. Communication should be in plain English, and large print or translation versions should be made available to customers upon request.

With the exception of Business Rates and Council Tax an opportunity must be given to discuss what is required to comply with the law before formal recovery action is taken. A written explanation must be given of any rights of appeals against formal recovery actions either before or at the time the action is taken.

6) Strategic Principles

6.1 To maximise income collection and minimise levels of debt by the most fair, efficient and cost effective means whilst identifying and providing support for our most vulnerable debtors.

6.2 In order to achieve this we need to adopt a set of principles within our service delivery to debt management:

- Understand our Customers
- Make payment easy
- Use fair and robust collection
- Prevent financial hardship
- Better communication with our customers
- Support for businesses
- Good housekeeping
- Identify and support vulnerable customers
- Operate a zero tolerance policy in relation to fraud

Details of how we will achieve these are within the strategy document in Appendix 7.

7) Vulnerability

7.1 Council officers should at all times use their professional judgement when dealing with vulnerable customers; in particular where the customer appears:

- To be severely mentally impaired or suffering severe mental confusion
- To have young children and severe deprivation is evident
- To be heavily pregnant and there are no other adults in the household
- To be in mourning due to recent bereavement of a close family member
- To have difficulty communicating due to profound deafness, blindness or language difficulties. In these cases arrangements must be made for provision of the appropriate support in terms of a signer or translation service, for example
- To have a severe long term sickness or illness, or is terminally ill

- To appear to be vulnerable is any other way
- 7.2 Often vulnerability doesn't affect all areas of a person's life. For example, dealing with other day-to-day activities may not cause any problems, but dealing with debt(s) or money some customers may struggle. When we refer to a person as being 'vulnerable' we are not looking to label that person. As a Council we just want to make sure we are giving the right support in order to help our customers.

8) Write offs

- 8.1 This is in respect of council tax, NDR, Housing Benefit, Council Tax Support only. Those Housing and/or Trade-waste debts where recovery action has been unsuccessful would be referred back to the budget holder to decide what cause of action to take.
- 8.2 An integral part of debt recovery is the effective management of irrecoverable debts to ensure that resources are applied efficiently to the collection of monies outstanding which can reasonably be expected to be collected.
- 8.3 It is good practise to identify and write off unrecoverable debts. This enables the Council to use resources to their maximum benefit.
- 8.4 Debts will normally only be considered for write off where the account is closed and there is no recurring debt. Only in exceptional circumstances will amounts on live or on-going accruing debt accounts be considered. Such cases must demonstrate that further recovery action will not achieve collection of the debt.
- 8.5 It is not possible to list every scenario which could make a debt suitable for write off; however Appendix 7 shows the main reasons why debts become irrecoverable and how such debts will be managed.