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Boston Borough Council Corporate Debt Recovery Policy



1. Introduction

This policy covers all debt recovery activities carried out by Boston Borough Council including but not limited to: -

- Council Tax
- Non Domestic Rates
- Overpaid Housing Benefit
- Sundry Debts

Efficient and well administered debt management is vital to the Council. A corporate and consistent approach to debt management will be taken to ensure the Council's interests are protected and residents who are struggling financially are supported to pay through the provision of appropriate advice and early intervention.

Whilst the majority of income due to the Council is collected in a routine manner, unpaid charges and debts do arise for a variety of reasons. This policy sets out the principles that it expects our officers to follow in the recovery and enforcement of debts.

2. Legislation

In all cases we will act in accordance with relevant legislation as detailed below.

Council Tax	Local Government Finance Act 1992 Local Government Finance Act 2012 The Council Tax (Administration and Enforcement) Regulations 1992 (as amended)
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NNDR	Local Government Finance Act 1988 Local Government Finance Act 2012 The Non-Domestic Rating (Collection & Enforcement) (Local Lists) Regulations 1989 (as amended)
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Housing Benefit Overpayments	<p>Housing Benefit Regulations 2006</p> <p>Housing Benefit (Pension Credit) Regulations</p> <p>Council Tax Benefit Regulations 2006 (up to 31.03.13)</p> <p>Boston Borough Council, Council Tax Reduction Scheme</p> <p>Welfare Reform Act 2012</p> <p>Social Security (Overpayments & Recovery) Regulations 2013</p>
Sundry Debt	<p>The Late Payment of Commercial Debts Regulations 2013</p> <p>The Late Payment of Commercial Debt Regulations 2002</p> <p>The Late Payment of Commercial Debts (Interest) Act 1998</p> <p>Sundry debts are collected within the relevant framework (e.g. Licensing fees) up to the point that legal action is required.</p>

3. Policy Aims

It is essential that the council demonstrates that it undertakes the administration and recovery of all debts in an efficient and effective manner. We have a legal duty to ensure cost effective billing, collection and recovery of all sums due to the authority.

As such, we will: -

- Ensure a professional, consistent and timely approach to recovery action for which it is responsible.
- Take enforcement action against deliberate non-payers or late payers.
- Take positive action to prevent arrears occurring, for example by maximising income and providing a range of payment methods.

- Promote a co-ordinated approach to sharing debtor information and managing multiple debts owed to the Council.
- Ensure that individual and exceptional circumstances are given due consideration when pursuing debts.
- Ensure that debts are managed in accordance with legislative provisions and best practice.
- 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.

This policy will: -

- be a guide to all officers involved in the recovery of monies.
- set out a clear strategy.
- demonstrate our commitment to the delivery of quality services to our customers.
- provide revenue to the council and help reduce the loss from eventual writing off of debts.
- fulfil the Council's statutory obligations to collect Council Tax, Business Rates and excess Housing & Council Tax Benefit/ Support.

4. Policy Objectives

To ensure that all income due to the council is collected, with minimum avoidance and in the interest of residents and businesses of the Borough.

In order to achieve our objective, we will ensure the following principles are adhered to: -

- Consider that customers have a responsibility to pay.
- Aim to identify those who can pay but won't or who deliberately delay payment, so that recovery action can be taken accordingly.
- Actively encourage contact at every stage of the collection and recovery process.

- Aim to help individuals to maximise their income.
- Acknowledge the need to provide a service that is effective but when necessary sensitive to individuals needs.
- Ensure that payment arrangements reflect the level of debt owed as well as the ability to pay.
- Expect priority debts to be given priority over other debts owed.
- Acknowledge the role of recognised advice agencies and encourage contact with such agencies where appropriate.

5. Communication

In order to have an effective debt recovery policy, our customers need to be provided with clear and prompt information about bills that they are being asked to pay. To ensure this our correspondence and information will show: -

- What the bill or invoice is for
- The total amount due
- The date by which payment is due
- How and where to make payments
- Contact details for enquiries
- Correspondence clearly written, without the use of jargon where possible
- Any penalty charges applicable for late payment (sundry debt)

Full names, contact address and a telephone number will be established wherever possible prior to billing.

Debtors will always be advised promptly about the existence of their debt and where appropriate the right to appeal given in line with legislation.

Officers will deal with debtors in a courteous, yet firm and fair manner.

6. Recovery of Money due

The Finance Section has set processes and steps to follow in the collection and recovery of monies owed to the council. However, each case is treated individually to take into account various factors such as the circumstances of the debtor.

The Finance Section will levy and seek to recover any and all costs/fees that are legitimately due from a debtor. Only in exceptional cases or where it is established that the debt is irrecoverable will consideration be given to costs/fees being waived. Any requests for cancelling or writing off debts will be dealt with in accordance with the Council's financial regulations.

All debtors will be advised of the consequences of non-payment and the courses of action that could result from non payment. This includes: -

Type of debt	Possible Action	Final Sanction
Council Tax	Summons Magistrates Court Hearing Payment Arrangement Attachment of benefit Attachment of Earnings Enforcement Agent Action	Liability Order Bankruptcy Charging Order Committal to Prison

National Non Domestic Rates	Summons Magistrates Court hearing Payment Arrangement Enforcement Agent Action	Bankruptcy Liquidation County Court Judgement Committal to Prison
Housing Benefit Overpayments	Direct deductions from ongoing benefit entitlement Payment Arrangement	County Court Judgement Direct Earnings Attachment Charging Order Removal of good through Enforcement Agent action Debt Collection Agency
Excess Council Tax Support	Revised Council Tax bill with amended instalments	Liability Order Bankruptcy Attachment of Earnings Attachment of Benefits Charging Order Committal to Prison
Sundry Debts	Payment Arrangement Cessation of service	County Court Judgement Debt Collection agency

Some enforcement actions listed above may incur additional costs, which are payable by the debtor. In all cases, where appropriate we will seek to recover from the debtor any reasonable costs incurred in the recovery of unpaid money due to the council.

Where liability is continuous, (for example Council Tax) any arrangement made will normally require payments to be over and above the on-going monthly liability. Future instalments must be paid when due as a condition of the arrangement.

Where a debtor is not able to repay the debt completely, either immediately or within a reasonable timescale, Officers will treat each case individually and agree an arrangement for repayment over a specific period of time. In such circumstances, a review of the person's income and expenditure will be made to help establish that the proposed level of repayment is appropriate given the debtors financial circumstances.

Where a payment arrangement is made; failure to make regular payments in a timely manner will result in further recovery action and reasonable costs will be added to the debt.

In relation to the provision of goods and services, payment in full will be sought prior to goods/services being rendered.

7. Multiple Debts

Where it is known that a person has more than one debt with the Authority, Officers will liaise with the relevant sections of the Council to: -

- Identify the action being taken by other Sections against the debtor,
- establish which debt should have the greatest priority for repayment,
- Ensure that repayments plans are realistic in light of other debts owed to the Authority.

The order in which debts should be repaid will depend upon the amount involved and the length of time that they have been outstanding.

Priority should be given to debts where there is a court order in place to enforce the debt.

Priority should always be given to Council Tax arrears over other debts.

8. Advice and Assistance

The Finance Section welcomes the involvement of welfare and advice agencies in the connection with debts due to the Council and recognises the benefits that such agencies can offer, both to the debtor and the Council in prioritising repayments to creditors and maximising income for the debtor.

Information about sources of money and debt advice will be made available, especially where it is apparent that the debtor is in severe financial difficulties.

Officers will encourage debtors to obtain specialist advice and help, which will include providing details of local and national free debt and money advice agencies.

Where the potential for a benefit, discount or exemption exists in relation to a particular debt, efforts will be made to make the debtor aware of such opportunities and they will be encouraged to apply for these.

Officers will stress to debtors the importance of paying priority debts before non- priority debts.

9. Vulnerability

We recognise that the Council, our staff, contractors and agents each have a role in ensuring that the vulnerable and socially excluded are protected.

We will support individuals to seek appropriate advice and guidance where we recognise possible vulnerability.

The appropriate use of discretion is essential in every case.

10. Enforcement Action

When considering enforcement action, Officers should adhere to the following principles which are taken from the Government's Enforcement Concordat: -

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

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

Consistency means taking a similar approach in similar circumstances to achieve similar ends. This relates to: -

- the advice given by Officers
- the use of powers
- the recovery procedures used

The council recognises that consistency does not mean the exact same approach being taken in every case. Officers will need to take into account factors such as: -

- the social circumstances of the debtor
- the debtors payment history
- the debtors ability to pay

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 being able to clearly explain and justify the reason for taking recovery/enforcement action.

11. Complaints

We aim to provide you with services of the highest possible quality. However if someone is not satisfied with the service provided by the Finance Section, they have every right to make a complaint. We will provide a response to any complaint, in accordance with the Council's Feedback Policy.

12. Equalities Statement

Boston Borough Council is committed to equality and fairness. Equality is about ensuring people are treated fairly and given fair chances. It is also about ensuring that people receive fair outcomes in the standard of service they receive from the Council. This incorporates everyone, regardless of their race, gender, age, religion or belief, sexual orientation and/or disability.

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