



GUILDFORD BOROUGH COUNCIL

CORPORATE DEBT RECOVERY POLICY

DRAFT 4 - 2021

Document Information

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Policy Owner – Service:	Specialist Services - Housing
This document replaces:	n/a
Committee approval:	
Last Review Date:	
Next Review Date:	

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1. Introduction

- 1.1 This policy contributes to the strategic theme of community by providing clarity on the support that the Council provides for those who are financially vulnerable.
- 1.2 Guildford Borough Council has a duty to ensure the prompt and cost-effective billing, collection, and recovery of all sums due to the council. Delays can lead to higher administrative costs and reduced resources being available for the provision of services.
- 1.3 Sums due to the Council can be a mixture of statutory and non-statutory charges, including commercial contracts. The methods for billing and recovery of statutory debts are tightly prescribed by statute and our practices must take these legislative requirements into account.
- 1.4 In addition to our statutory duties with regards to debts, we also have a duty to help the more vulnerable in our community. We understand that there is a distinction between those who “can’t pay” and those who “won’t pay”.
- 1.5 The aim of this policy is to:
 - give customers clarity not only on what we will do, but what we expect debtors to do
 - achieve the prompt collection of sums of money due to the Council whilst ensuring that a fair and consistent approach is taken to the recovery of sums that are not paid when due.
- 1.6 This policy is not intended to set out detailed internal processes and procedures, or to repeat customer service policies which can be found elsewhere. It is deliberately short with the intention that it will be read and used by both employees and debtors.

2. Scope

- 2.1 This policy relates specifically to the collection of the following:
 - Council Tax
 - Non-Domestic Rates (Business Rates), and BID Levy
 - Housing Benefit Overpayments
 - Housing Rents, Homes 4 U Loans, Garage Rents
 - Car Parking Penalty Notices
 - All other Sundry Debt (charges for council services including waste services, hall fees, rents, licensing etc)

2.2 The policy does not apply where customers pay up front to access a service.

2.3 This policy takes effect from **DATE**

3. Guildford Borough Council's Responsibilities

3.1 Billing

We will:

- Issue requests for payment promptly and accurately
- Be clear on what needs to be paid, when and how
- Ensure that our documents are easy to understand, whilst complying with any legal requirements.
- Provide information on anything that may reduce debt – for example Council Tax and Business Rate reductions or prompt payment discounts.

3.2 Debt Recovery

We will:

- Commence action to recover unpaid amounts promptly to avoid the accumulation of arrears
- Ensure that all debt recovery documents are clear and inform the debtor of the consequences of not paying
- Assist customers who have a legitimate dispute against the liability
- Endeavour to recover the full cost of enforcement action from the debtor to ensure that the cost does not fall on local council tax payers
- Respect the debtor's privacy by conducting enforcement activity as discretely as possible
- Consider all the enforcement options legally available to us for a specific debt.

3.3 Helping those in financial difficulties

We will:

- Signpost debtors to free sources of independent money and debt advice, including how to access the national Debt Respite (Breathing Space) scheme
- Agree arrangements with debtors to allow them to pay debts off over a longer time (see section 5)
- Ask debtors about other debts, so that we can help them prioritise them and plan to become debt free.
- Ensure that all services work together where a debtor identifies that they owe the Council multiple debts so that they can be managed in a co-ordinated manner.
- Train staff in debt collection to enable them to employ flexibility and discretion when dealing with exceptional hardship, vulnerable persons or dispute situations. This includes the ability to make deferred payment arrangements or suspend recovery action due to the debtor's individual circumstances. However, it is not always possible to place cases on hold due to statutory procedures for enforcement of the debts.

3.4 Helping the vulnerable

We recognise that some members of the community are more vulnerable than others and may need additional support in dealing with their financial affairs. The cause of

vulnerability may be temporary or may be permanent in nature and the degree of vulnerability will vary widely.

We will be mindful that people in the following groups may be vulnerable. However, vulnerability does not mean that they will not be required to pay amounts they are legally obliged to pay:

- Older people
- People with a disability
- The seriously ill
- The recently bereaved
- Single parent families
- Pregnant women
- Unemployed people
- Those whose first language is not English

We will consider each case on its merits. Help may include:

- Signposting to external agencies and sources of independent advice,
- Greater flexibility around payment arrangements
- Providing information in an accessible format
- Temporarily suspending recovery or enforcement action.

4. Debtor's Responsibilities

- 4.1 We expect any person or organisation owing sums to Guildford Borough Council to:
- Pay amounts due promptly to ensure receipt by the Council on or before the date that payment is due
 - Follow instructions regarding the making of payments to ensure payments are credited correctly against the amount due
 - Inform us promptly of any changes to their circumstances that may affect the amount to be paid or the ability to pay
 - Notify us promptly if their address changes
 - Contact us promptly if it is believed the amount charged is not correct, both where the amount may be too much or too little
 - Contact us promptly if they are unable to pay an amount that is due
 - Identify where they owe us multiple debts so that we can in turn help them to manage that situation. We will work with individuals to understand the debts that they have, to help them prioritise and plan to get debt free.

5. Payment Arrangements

- 5.1 The intention is that debts should be cleared as soon as possible. Some bills (such as Council Tax) are issued on a regular basis with the result that the debt will build up if it is not paid before the next bill is issued.
- 5.2 Where the debtor has entered a commercial contract – for example a commercial rent – the expectation is that payment will be made in accordance with the contract and alternative arrangements are unlikely to be made.
- 5.3 We will make individual repayment arrangements based on a debtor's personal circumstances. To do this we will ask for as much information as possible to help us assess ability to pay, especially where the request is to repay over an extended time.

- 5.4 If a debtor refuses to provide any information that is considered essential to assessing their ability to pay, then it is unlikely that a payment arrangement will be agreed.
- 5.5 Where a suitable payment arrangement cannot be agreed we will advise the debtor to take independent advice.

6. Use of Enforcement and Collection Agents

- 6.1 The Council uses Enforcement Agents and Collection Agents where it is allowed by law to do so. This will be explained either on line or in documents sent to the debtor. Agents enable us to recover unpaid debts where other avenues have failed. This is important because we rely on our income to continue to provide a wide range of services within the borough.
- 6.2 Enforcement Agents are governed by Regulations made under the Tribunals, Courts & Enforcement Act 2007 such as The Taking Control of Goods Regulations 2013, The Taking Control of Goods (Fees) Regulations 2014 and The Certification of Enforcement Agents Regulations 2014. Our Enforcement Agents are members of the Civil Enforcement Association (CIVEA) and comply with the CIVEA Code of Conduct.

7. Insolvency

- 7.1 We will consider bankruptcy and liquidation proceedings where the debt or combined debts are above the statutory minimum threshold and it is considered cost effective to do so.

8. Monitoring

- 8.1 We will monitor the success of the policy via the Corporate Complaints and Compliments system.

9. Sources of Help and Advice

Internal:

Guildford Borough Council Welfare and Benefits Debt Advisor
– contact via 01483 505050

External:

Citizens Advice Bureau	website: https://www.citizensadvice.org.uk/ telephone: 0800 1448848
Christians Against Poverty	website: https://capuk.org/ telephone: 0800 3280006
Step Change	website: https://www.stepchange.org/ telephone: 0800 138 1111
Business Debtline	website: https://www.businessdebtline.org/ telephone: 0800 197 6026
National Debtline	website: https://www.nationaldebtline.org/ telephone 0808 808 4000
Moneysavingexpert	website: https://www.moneysavingexpert.com/family/
Community Money Advice	national website: https://www.communitymoneyadvice.com/freedom-from-debt/get-help local: https://www.lighthouseworking.org/moneyadvice.html