



Sandwell Metropolitan Borough Council

Corporate Debt Recovery Policy

2022/23



Meeting Ambition 10



1. INTRODUCTION

- 1.1 This document details the Council's policies on the billing, collection and recovery of monies due to the Council. Sums due to the Council can be a mixture of statutory and non-statutory charges. The methods for billing and recovery of the statutory debts are tightly prescribed by statute.
- 1.2 This Policy sets out the general principles to be applied in relation to debt management across all services provided by the Council.
- 1.3 The management of income is a key business area for the Council. The Council collects income from many streams; some of this activity is governed by legislation while others by sound principles of financial management. The key to economic, efficient and effective income management is the creation and maintenance of a clear framework that sets out the approach, principles and strategy within which all activities will be conducted.
- 1.4 This policy applies to the collection of:
 - Rent
 - Council Tax
 - Non-Domestic Rates (Business Rates / NNDR)
 - Sundry Debt (Council Services)
 - Overpaid salaries and wages

1.5 This policy intends to:

- Recover all money outstanding in respect of debts owed to the Council.
- Protect the Council's finances for the good of all residents within the Sandwell area.
- Ensure that enforcement action is taken to recover debts.
- Facilitate a coordinated approach to managing multiple debts owed to the Council.
- Ensure that the Council engages with debtors when enforcing debts in order to take the appropriate action taking into account the individual circumstances of the debtor.
- Identify, where appropriate, support which may be required to those owing money to the Council;
- Giving specific considerations to vulnerable customers where appropriate.
- Apply best practice to debt collection.
- Minimise the risk of bad debts.

2. GENERAL PRINCIPALS

- 2.1 All directorates will work together to ensure the most appropriate arrangement for recovery of debts is achieved. In cases of multiple debts, a lead officer may be appointed. The lead officer will be responsible for liaising with relevant service areas. To assist Sandwell Council is working towards a Single View of debt across all recovery areas.
- 2.2 In all cases the Council will work with the debtor taking account of their individual circumstances in order to arrive at an arrangement that is reasonable to both themselves and the Council.
- 2.3 A flexible approach will be adopted to ensure regular payments. This reduces the risk of further action and unnecessary additional costs becoming payable, it also maintains collection.
- 2.4 Where necessary when working with debtors the Council will provide additional support with the aim of maximising their income by: -

- Providing welfare advice to ensure the debtor is receiving any benefits, reductions and discounts they are entitled to.
- Promoting and referring debtors to agencies who can offer personal budgeting support / debt advice/ affordable credit.

3. PRINCIPLES OF RECOVERY ACTION

3.1 The Council will ensure that: -

- All legislative requirements and relevant Council policies will be complied with.
- All debts are demanded accurately from the debtor including where appropriate all statutory notifications.
- Where appropriate any benefits, reductions, discounts or reliefs are deducted from the amounts outstanding and that the amount required from the person is reduced as far as possible.
- Payment, methods, terms and amounts are clearly defined.
- Accurate records are maintained. This will include in the case of Council Tax:
 - Imposing penalties (in line with the Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992 where.
 - Information has been requested from the customer and it has not been provided within 21 days
 - The customer receives a discount or exemption to which they are no longer entitled and where they fail to inform the authority within 21 days
 - Imposing penalties (in Line with the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 in respect of Council Tax Reduction where.
 - The customer fails to inform the authority of a change in circumstances affecting the reduction within 21 days: or
 - The customer provides false or misleading information which results in an increase payment of Council Tax Reduction
- In the event of default in payment take prompt action which helps identify payers in financial difficulty.

- Listen sympathetically to customers who prove genuine financial hardship and agree alternative payment terms.
- Referring any person identified as requiring assistance to non-fee-paying registered debt advise providers.
- Agree affordable repayment arrangements and maximise entitlement to benefit, reductions and discounts; and
- Provide advice and information to customers at every stage of the recovery process.

3.2 In all cases consideration will be given to the value of the outstanding debt and the cost of recovering that debt and where the Council believes it is uneconomical to pursue recovery the debt may be recommended for write off.

4. PRINCIPALS OF ENFORCEMENT ACTION

- 4.1 Where a debt remains outstanding for a service provision and there is no statutory obligation to provide the service, consideration will be given to terminate the service until such time that the debt is bought up to date.
- 4.2 Costs incurred are the responsibility of the customer, the aim of the policy is to minimise such costs wherever possible.
- 4.3 Payment orders made by a Court will take priority over any informal payment arrangement
- 4.4 We will utilise all methods of recovery available.
- 4.5 Enforcement agents and debt collection agencies instructed by the Council will be required to work within agreed guidelines, legislation and Codes of Practice always.

5. POLICY REVIEW

- 5.1 The policy will be reviewed annually, or sooner if appropriate, to take account of operational adjustments, feedback and or changes to legislation.

5. EQUALITIES

- 5.1 This policy has been produced in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified as a result of this policy.

6. VULNERABLE CUSTOMERS

- 6.1 We understand that there are members of our community that may be considered vulnerable, therefore require additional support. Being vulnerable does not mean that you will not have to pay anything that you are legally obliged to pay.

Where we identify someone as being vulnerable, consideration should be given to:

- Longer period to pay
- Holding off enforcement action for an agreed period
- Assisting with the taxpayer to claim the right benefits, reductions, discounts or any other entitlement
- Referring a taxpayer to our Welfare Rights team if appropriate and sources of independent advice services
- Agreed temporary payment arrangement with lower repayments with a review date

We are aware that a taxpayer's vulnerability status may be temporary or permanent in nature but will vary widely. In order to aide us in identifying a vulnerable person we have a list below, identifying some characteristics of a vulnerable person. However, each case must be taken on its own merit:

- Disabled Person
- People experiencing serious illness, including mental illness
- People aged under 18
- Elderly people
- People in late stages of pregnancy