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# **WELFARE REFORM APPENDIX 3: CORPORATE DEBT POLICY**

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3.2.2 The range of payment options available currently includes:-

- Direct Debit;
- Online payment via internet;
- 24 hour telephone payment line on the customer payment no. 01546 605515;
- By cash, cheque, debit and credit card at local Customer Service Points.
- At pay point terminals located in outlets across Argyll and Bute, post offices and banks using payment cards for Council Tax only;
- By post; payments by cheque or postal order;
- Deductions from prescribed benefits

3.2.3 Wherever possible, Housing Benefit overpayments will be recovered from ongoing benefit.

3.2.4 Where practicable and reasonable, the Council will seek to establish payment in advance, payment at point of sale or direct debit whichever is appropriate to the service being provided.

### **3.3 Communications**

3.3.1 Customers or their representative will be encouraged to contact the Council as soon as they encounter payment difficulties. The Council will be proactive in its communications with customers by taking an holistic view of debt. This will be achieved as follows:

- All contact information will be made clear and understandable on all outgoing communications.
- Available payment methods will be clearly outlined to customers.
- Clear information will be provided detailing the customer's obligations to pay and the consequences of non-payment at each stage of the recovery process for each debt type.
- Access to money advice, debt counselling services and energy advice will be actively advertised, encouraged and facilitated.
- All communications should be jargon free and in plain English where possible, help will also be provided where literacy issues exist.
- Debtors will be encouraged to make prompt contact via telephone, letter or e-mail.
- The Council will ask for and store customer telephone numbers to facilitate effective and efficient ongoing dialogue.
- Services which deal with customer debt internally will work together in a joined up way to avoid placing undue pressure on customers who are in debt.



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- Pursue the recovery of costs/fees in all cases except where it would not be in the public interest to do so.
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authorisation at least once per annum. The Head of Customer and Support Service and Head of Governance and Law have delegated authority from the Executive Director Customer Services to authorise write-offs. All working papers backing up each individual debt on the schedule should also be submitted along with the lists of debt to be written off.

3.11.2 It would normally be expected that debts to be written off would be:

- Cumulative debts under £50, where no payment has been received within six months of sending the final demand;
- All debts where the Head of Governance and Law advises the debt is irrecoverable or that legal action is unlikely to be cost effective;
- All debts where the debt collection agent or sheriff officer to whom the debt has been passed advises the debt is irrecoverable and that legal action is unlikely

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- We will also seek permission from our customers to share information about their changes of circumstance (such as moving house) with all council services with whom they regularly deal when they first report this to the council. All information collected is governed by the Data Protection Act 1998 and the Council has a procedure and policy in place to comply with the Act.

### **3.13 Debt Prioritisation**

3.13.1 Priority debts are those debts owed to creditors who can take the strongest legal action against an individual who does not pay or where the action taken by a creditor may cause undue hardship.

3.13.2 In the context of the Corporate Debt Policy and in the best interests of customers, the following are deemed to be a priority and will be considered ahead of any arrears:

- Ongoing rent liability
- Ongoing council tax liability
- Mortgage liability

3.13.3 Where ongoing liability is being met, as outlined above, recovery of other council debts will then be considered:

- Council tax arrears
- Non domestic rates
- Sundry income debt

3.13.4 Housing Benefit overpayment debt will normally be recovered via deductions from on-going benefit if the claimant is still in receipt of benefit. This deduction will be made as per the Housing Benefit Overpayment Recovery Policy.

3.13.5 If the customer has more than one debt with the Council, there should be a single repayment plan covering all such arrears where this would be beneficial to the customer. The Corporate Debt Recovery Team is responsible for this repayment plan. The repayments will be apportioned to each debt by agreement with the debtor. Failing such agreement, payments will be apportioned in relation to the relative size of each debt.

3.13.6 When debt recovery has proceeded to diligence, recovery of such debts will be governed by the relevant diligence and dealt with entirely separately to any other debts which may separately be subject to the agreement of a payment arrangement. For example, if there is a council tax debt which has been to summary warrant and subsequently becomes the subject of an earnings arrestment through the council's sheriff officers, and the same debtor also then has an overdue sundry debt owing to the council, the sundry debt will be pursued independently by Legal Services.



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3.16.2 In the event that the complainant remains dissatisfied after the Council has investigated the complaint, the complainant may refer his/her complaint to the Scottish Public Services Ombudsman, who is independent of the Council. The complaints process should not be used in the first instance where there are disputes about the amount of the bill or the delivery of the service as these matters should follow the relevant dispute resolution or appeals route first.

### **3.17 Right to Appeal**

3.17.1 All invoices and bills will generally outline any appeals procedures open to a customer if they dispute the amount billed. However, there are also rights to appeal to certain external agencies as follows:

- Valuation Appeals Committee – if someone considers the Council has incorrectly charged them for Council Tax or if they believe that their