

## **Cabinet – 4 September 2019**

### **Walsall Council Corporate Debt Policy**

**Portfolio:** Councillor Bird, Leader of the Council (Lead Portfolio)

**Related portfolios:** All

**Service:** Finance – Council Wide

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Aim**

- 1.1. To implement an internal framework that provides consistent guidance and advice for Walsall Council officers and Members on why, when and how the authority seeks to recover the costs of service delivery and generate income in support of our corporate priorities. This report aims to provide consistent guidance and advice on the Council's priorities and principles in relation to customers in debt to the council.

#### **2. Summary**

- 2.1. Given the recent and ongoing reductions in main government grant funding one of the work streams of the Walsall Proud Programme has focused on the opportunity for Walsall Council to seek to improve its income generation activities and processes in support of delivering corporate priorities.
- 2.2. A key element of this work stream is the development of the 'Walsall Council Corporate Debt Policy' which aims to provide consistent guidance and advice on the Council's priorities and principles in relation to customers in debt to the council. This policy is attached at Appendix 1 of the report.
- 2.3. The policy sets out how the council will work with customers and partners to raise and collect debt in a reasonable, fair and transparent way. It is expected that as services across the council review its debt collection procedures the guidance contained within the policy will be applied to these areas and to the management of income levels that would be considered significant. As such the approval of the policy is a key decision.

#### **3. Recommendations**

- 3.1 That Cabinet approves the attached Walsall Council Corporate Debt Policy which will become effective immediately following this decision.

## 4. Report detail - know

### ***Context***

- 4.1. The Walsall Proud Programme was launched in April 2019 as the Council's transformation programme and has three core aims: to improve customer experience, improve staff satisfaction, and deliver service efficiencies of up to £80m. In December 2018, Cabinet approved a total investment of up to £26m to support the delivery of the programme and achieve maximum benefits. This work is driven by the *income generation and cost recovery* work stream of the programme, which aims to maximise income revenue into the organisation.
- 4.2. There is currently no existing overarching framework within Walsall which provides consistent guidance on why, when and how the authority should seek to recover the costs of service delivery and generate income. A report elsewhere on tonight's agenda seeks Cabinet approval of a Walsall Council Income and Commercial Policy. The Council Corporate Debt Policy contained within this report seeks to complement that policy.
- 4.3. A key element of this work stream relates to the development of the 'Walsall Council Corporate Debt Policy' which aims to provide defined and transparent approach to debt management that the organisation is committed to. This policy is attached at **Appendix 1** of the report.
- 4.4. The 'Walsall Council Corporate Debt Policy' is aimed at council officers, it sets out the Council's priorities and principles to prevent, manage or mitigate issues relating to customers incurring debt to the Council. It also sets out how we will work with customers and partners to raise and collect debt from both individuals and businesses in a reasonable, fair and transparent way.

### ***Council Corporate Plan priorities***

- 4.5. Sound processes and guidance in relation to recovering the costs of service delivery and generation of income will support the delivery of the authority's corporate priorities.

### ***Risk management***

- 4.6. There are no risks directly attributable to the approval of the policy itself.

### ***Financial implications***

- 4.7. There are no financial implications directly attributable to the approval of the policy itself. The corporate debt policy aims to reduce the amount of new customer debt and improve the collection of income that is due. This is vital in providing the Council with the financial resources to continue to deliver quality services.

### ***Legal implications***

- 4.8. The corporate debt policy works within, and takes account of, the relevant legislation. This policy also seeks to set clear expectations on how we want to engage with customers and should be used in conjunction with the Council's income and commercial policy.
- 4.9. Some recovery processes are outlined in law and are detailed further in the relevant debt section within the policy itself.

### ***Procurement Implications/Social Value***

- 4.10. None directly relating to this report.

### ***Property implications***

- 4.11. None directly relating to this report.

### ***Health and wellbeing implications***

- 4.12. None directly relating to this report.

### ***Staffing implications***

- 4.13. None directly relating to this report.

### ***Reducing Inequalities***

- 4.14. An outline and overarching Equality Impact Assessment (EqIA) has been undertaken whilst developing the 'Walsall Council Corporate Debt Policy'. This is attached at Appendix 2. This EqIA will need to be maintained on a regular basis to identify the potential groups who may be impacted by changes or new proposals and any relevant mitigating action / changes that may be required.

### ***Consultation***

- 4.15. Consultation on the policy has been undertaken with internal stakeholders to allow feedback and the identification of required amendments prior to seeking formal approval.
- 4.16. Consultation has also been undertaken with the corporate equalities team with regard to the development of an EqIA for the policy.

## **5. Decide**

- 5.1. Given the recent and ongoing reductions in main government grant funding one of the work streams of the Walsall Proud Programme (WPP) has therefore focused on the opportunity for Walsall Council to seek to improve its income generation and debt collection activities and processes.

- 5.2. A key element of this work stream relates to the development of the 'Walsall Council Corporate Debt Policy' which aims to prevent, manage or mitigate issues relating to customers incurring debt to the Council. It also sets out how we will work with customers and partners to raise and collect debt from both individuals and businesses in a reasonable, fair and transparent way.
- 5.3. The Corporate Debt policy has been developed because it is good practice to have a clearly defined and transparent approach to debt management that the organisation is committed to. This has a number of benefits to customers, staff and the Council, as set out below:
- Benefits for customers - The corporate debt policy supports consistency and transparency in raising and collecting debt so that customers know what to expect and are treated fairly. The policy also provides guidelines to identify those who are experiencing financial difficulties and provides guidance for the provision of early and professional help to prevent further escalation,
  - Benefits for staff - Those involved in the management of debt know the procedures that they need to follow as they are clearly informed by the policy. This should enable more efficient collection of debts owed and also improve the Council's cash flow and financial position for budget holders,
  - Benefits for the Council - The corporate debt policy aims to reduce the amount of new customer debt and improve the collection of income that is due. This is vital in providing the Council with the financial resources to continue to deliver quality services
- 5.4. The policy applies to all council staff responsible for taking payment from customers and the administration and collection of debt, across all council departments.

## **6. Respond**

- 6.1. Following approval of the policy, it will be used and applied by all council staff responsible for taking payment from customers and the administration and collection of debt, across all council departments. Staff should apply this policy and provide a consistent approach where possible, particularly around the initial enquiry and assessment stage of recovery. Officers will seek to follow the principles outlined in the policy and the full range of collection and recovery methods will be used as appropriate if debts are not paid.

## **7. Review**

- 7.1. The policy will be reviewed annually but may be amended at any time to incorporate new procedures, practices or legislative requirements.

<b>Work stream Title:</b> Income Generation & Cost Recovery	<b>Walsall Proud Programme</b>	
<b>Project Title:</b> Fee Collection & Debt Recovery		
<b>Final Draft Corporate Debt Policy</b>	<b>Version</b>	<b>Date</b>
	2.2	09/07/2019

<b>Written by:</b>	Tom Rogers	<b>CMT Lead:</b>	Simon Neilson
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### DOCUMENT CHANGES

Version	Date	Reason for Change	Section(s)	Author
2.0	05/07/2019	Incorporation of debt monitoring and risk management sections	5.1, 5.2	Tom Rogers
2.1	08/07/2019	Principles incorporated into each section	All	Tom Rogers
2.2	09/07/2019	Additional principle added	1.2, 5.1	Tom Rogers

### APPROVALS

Name	Role	Date	Version
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Vicky Buckley	Work stream Lead	16/08/19	2.2
Simon Neilson	CMT Lead		
Ian Evans	Engagement Director	15/07/19	2.2

### CONSULTEES



<b>Name</b>	<b>Role</b>	<b>Date</b>	<b>Version</b>
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Glynnis Jeavons	Parking	Ongoing	1.0,2.0
Javed Iqbal	Legal	Ongoing	1.0,2.0

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## **Section 1. AIM:**

### **Section 1.1: Purpose of this policy document**

The corporate debt policy is aimed at council officers, it sets out the Council's priorities and principles to prevent, manage or mitigate issues relating to customers incurring debt to the Council. It also sets out how we will work with customers and partners to raise and collect debt from both individuals and businesses in a reasonable, fair and transparent way.

The corporate debt policy has been developed because it is good practice to have a clearly defined and transparent approach to debt management that the organisation is committed to. This has a number of benefits to customers, staff and the Council, as set out below:

- **Benefits for customers** - The corporate debt policy supports consistency and transparency in raising and collecting debt so that customers know what to expect and are treated fairly. The policy also provides guidelines to identify those who are experiencing financial difficulties and provides guidance for the provision of early and professional help to prevent further escalation
- **Benefits for staff** - Those involved in the management of debt know the procedures that they need to follow as they are clearly informed by the policy. This should enable more efficient collection of debts owed and also improve the Council's cash flow and financial position for budget holders
- **Benefits for the Council** - The corporate debt policy aims to reduce the amount of new customer debt and improve the collection of income that is due. This is vital in providing the Council with the financial resources to continue to deliver quality services

### **Section 1.2: Principles of debt management**

We recognise the need to manage debt in a transparent, fair and effective way to deliver the Council's aims. In order to achieve this way of working, we will adopt the following principles:

1. **A more holistic approach to gathering information to enable consideration of customers financial circumstances and obligations**
2. **Early intervention and prevention approach to debt management that is informed by an understanding of a customer's risk of defaulting on payments**

- 3. Provide clear and transparent information on the services customers are required to pay for**
- 4. Take payment in advance of service delivery, wherever possible, to prevent debt being incurred in the first place**
- 5. Take a co-ordinated and informed approach to debt collection and management**
- 6. Identify and provide timely support to customers on debt repayment and to prevent escalation of debt**
- 7. Provide specific considerations to vulnerable customers where appropriate**
- 8. Apply best practice and a transparent recovery approach to debt collection to enable efficient and prompt collection**
- 9. Actively monitor identified areas of risk and issues to inform better decision making on our approach and resources required for debt management**

### **Section 1.3: Scope of the policy**

For the purposes of this policy, a debt is defined as any amount of income owed to the Council. Customers can owe money for a variety of reasons, including but not limited to:

1. Council tax
2. Business rates
3. Housing rents, service charges and rechargeable repairs
4. Overpayments or unwarranted deductions of housing benefit, council taxes, wages etc.
5. Parking charges
6. Adult social care fees
7. Commercial Trade Waste
8. Licence Applications

### **Section 1.4: How is this document to be used?**

This policy applies to all council staff responsible for taking payment from customers and the administration and collection of debt, across all council departments. We will apply this policy and provide a consistent approach where possible, particularly around the initial enquiry and assessment stage of recovery.

We seek to follow the principles outlined in section 1.2 and the full range of collection and recovery methods will be used as appropriate if debts are not paid. The corporate debt policy works within, and takes account of, the relevant legislation. This policy also seeks to set clear expectations on how we want to engage with customers and should be used in conjunction with the Council's income and commercial policy.

### **Section 1.5: Policy exceptions**

On rare occasions it may be in the best interests of the Council or customers for action to be taken in the collection or recovery of a debt other than in accordance with this policy. In circumstances where an exception is made to the policy, the reason and subsequent decision will be recorded in writing by the responsible officer and will be open for audit/inspection.

## **Section 2. KNOW:**

### **Section 2.1: Gathering information on a customer's ability to pay for services**

#### **Principle 1 - A more holistic approach to gathering information to enable consideration of customer's financial circumstances and obligations**

In order to conduct an accurate assessment of a customer's financial circumstances, information may be requested to determine what the customer can afford to pay or is able to pay. Information contained on different systems will be made available to appropriate officers so that a picture of a customer's complete indebtedness can be established. Information relating to the customer's previous history of payments to the Council may also be considered. These will be subject to any restrictions outlined by General Data Protection Regulation and Human Rights legislation

## **Section 2.2: Managing risk of defaulting on payment for services**

### **Principle 2 - Early intervention and prevention approach to debt management that is informed by an understanding of a customer's risk of defaulting on payments**

We will adopt a risk management approach that is centred around the early identification and assessment of risks of the customer defaulting on their payments, this will enable us to proactively put measures in place to reduce the likelihood of the customer defaulting. This will be used to inform our proactive debt monitoring approach as well as allowing us to understand the level of risk across the Council.

## **Section 2.3: Informing customers on what they need to pay for services**

### **Principle 3 - Provide clear and transparent information on the services customers are required to pay for**

Prescribed statutory and non statutory fees and charges should be presented in a clear and transparent way for customers. Any changes to these fees and charges should also be updated in a timely manner.

Where it has been determined that a means tested assessment is required, this should take place as quickly as possible and where appropriate should involve a full benefits check and an approach to maximise benefits for the customer.

All council bills and invoices will be raised in a timely manner and will include complete and accurate information as to:

- What the bill or invoice is in relation to
- How much the customer is required to pay
- When the payments are due
- How to pay
- The consequences of non-payment
- How to get in touch with us for further information and advice

## **Section 2.4: Ways of making payments for services**

### **Principle 4 - Take payment in advance of service delivery, wherever possible, to prevent debt being incurred in the first place**

We will encourage customers to make a payment in advance of service delivery. This will prevent debt and will ensure the customer has the means to pay in advance of the service.

In line with the principle, the service area must show that payment in advance is considered before the service is provided. If this option is not practical the service should seek payment at the time service is delivered, provided that robust income collection arrangements are established.

We recognise the need to make the payment of bills or invoices as easy and convenient as possible. Our preferred method of payment for recurring payment is Direct Debit because it is the most cost effective collection method and it is backed by a refund guarantee. Where Direct Debt is not available the preferred payment method is online by debit or credit card. However, we also accept the following payment methods:

1. Bank Transfer / Standing order
2. Telephone Banking
3. PayPoint outlets and Post office (e.g. cash, cheques and debit card payments)

## **Section 3. DECIDE:**

### **Section 3.1: Prioritisation of debt**

#### **Principle 5 - A co-ordinated and informed approach to debt collection and management**

Debt prioritisation is the order in which we decide to collect debt from customers. By prioritising how we collect debt, it can ensure the most important debts are cleared first to prevent severe debt collection methods from being triggered which can in some cases lead to the customer losing their home, bankruptcy or imprisonment. We will use the information gained through the debt monitoring and risk management approach to continually improve and adapt the prioritisation of debt.

Decisions as to which debt to prioritise could be made either by services or through corporate decision making. The following considerations will be made when deciding the debt prioritisation approach:

- The severity and stage of each debt and the outcomes it could lead to if left unpaid e.g. loss of a customer's home or imprisonment
- The timeframe in which the debt has to be collected within
- The costs we have already incurred through the attempted recovery of the debt
- The sustainability of the service in which the debt relates to is wholly dependent on full cost recovered through paid income
- The extent to which the customer owes multiple debts to the Council
- The size and age of the debt
- Whether the customer/Council will continually receive/provide the service and therefore there is an ongoing service provision/liability

### **Section 3.2: Support for individuals and businesses in paying their debt**

#### **Principle 6 - Identifying and providing timely support to customers on debt repayment and to prevent escalation of debt**

We will help customers to access early and professional advice should they require support in repaying their debt. Our communications with the customer will outline how and who to contact for information, disputes and payment advice.

We will encourage customers to proactively engage with us as soon as they are aware that a problem exists. This enables us to provide access to timely advice to customers in financial difficulty. We will seek to do the following when engaging with customers in financial difficulty:

- Attempt to assist the customer in sorting out debt problems before they escalate, this could include signposting the customer to an advice agency
- Provide advice and guidance on the debts that will be prioritised if the customer has multiple debts with the Council
- Ask customers to provide information regarding their finances in order to facilitate an arrangement. This may mean understanding of debts owed to others - as we may want to consider these in helping the individual to best manage their situation and to increase our chances of recovering our debt. It may be possible for a customer with financial difficulties to repay instalments, with payments first made towards priority debts whilst making the maximum contribution to clearing other debts. The intention is that the debt will be cleared as soon as possible and should maintain the position that individuals indebtedness to us does not worsen. Once an agreement has been made no

further action will be taken unless the arrangement is broken or a review of the arrangement is made.

In order to ensure struggling customers are supported with affordable repayment arrangements we will promote the uptake of the maximum benefits, reductions and discounts they are entitled to. In some circumstances we may owe a credit to the customer, in this situation we will seek the agreement of the customer to transfer the credit to reduce another debt owed. When a customer is owed a credit we will check to see whether the customer is in debt to us before issuing a refund to facilitate this process.

The table below contains the name, description and contact details to some advice agencies.

Name	Description	Contact Details
National Debt Line	National Debtline offers free debt advice online through its My Money Steps tool and its web guides, fact sheets and sample letters.	<ul style="list-style-type: none"> <li>• <a href="http://www.mymoneysteps.org">www.mymoneysteps.org</a></li> <li>• 0808 808 4000</li> </ul>
Debt Advice Foundation	Debt Advice Foundation is a national debt advice and education charity offering free, confidential support and advice to anyone worried about debt.	<ul style="list-style-type: none"> <li>• <a href="http://www.debtadvicefoundation.org">www.debtadvicefoundation.org</a></li> <li>• 0800 622 61 51</li> </ul>
StepChange Debt Charity	StepChange Debt Remedy provides advice, budget support and solutions to help you manage your debts.	<ul style="list-style-type: none"> <li>• <a href="http://www.stepchange.org">www.stepchange.org</a></li> <li>• 0800 138 1111</li> </ul>
Walsall Citizens Advice	Walsall Citizens Advice provides free, confidential and impartial advice.	<ul style="list-style-type: none"> <li>• 139-144 Lichfield Street, WALSALL, West Midlands, WS1 1SE</li> <li>• 01922 700600</li> <li>• <a href="http://www.walsallcab.org.uk">www.walsallcab.org.uk</a></li> </ul>
Ablewell Money Advice Services	Ablewell Money Advice Services provide free confidential and independent help exclusively for people living in Walsall.	<ul style="list-style-type: none"> <li>• The Central Hall, Ablewell Street, Walsall, WS1 2EQ</li> <li>• 01922 639700</li> <li>• <a href="http://www.ablewelladvice.org">www.ablewelladvice.org</a></li> </ul>

Walsall Money Advice Project	The Walsall Money Advice Project operates a free advice and advocacy service for anyone living or working in the borough of Walsall.	<ul style="list-style-type: none"> <li>• The Bradford Street Centre, 51 Bradford Street, Walsall, WS1 3QD</li> <li>• 01922 623292</li> <li>• <a href="http://www.wmap.org.uk">www.wmap.org.uk</a></li> </ul>
Walsall Council, Housing & Welfare Service	Walsall Council, Housing & Welfare Service provide free advice and support to people in financial difficulty	<ul style="list-style-type: none"> <li>• 01922 652250</li> <li>• <a href="mailto:HousingandWelfareSupport@walsall.gov.uk">HousingandWelfareSupport@walsall.gov.uk</a></li> </ul>
Payplan	Payplan provide free debt help and debt management plans for people struggling with multiple debts.	<ul style="list-style-type: none"> <li>• 0808 274 2303 (freephone including mobiles)</li> <li>• <a href="http://www.payplan.com">www.payplan.com</a></li> </ul>

### Section 3.3: Supporting vulnerable customers

#### Principle 7 - Providing specific considerations to vulnerable customers where appropriate

We recognise that some members of the community may be considered to be more vulnerable and, therefore, may require additional support in dealing with their financial affairs. Vulnerability does not mean that a person will not be required to pay amounts they are legally obliged to pay. However, where a person is recognised to be vulnerable consideration should be given to:

- Allowing longer to pay
- Postponing enforcement action for a period
- Assisting the person to claim benefits, reductions, discounts or other entitlements
- Referring the person to sources of independent advice including financial
- Providing information in an accessible format
- A temporary payment arrangement with lower repayment than would normally be agreed

The cause of vulnerability may be temporary or may be permanent in nature and the degree of vulnerability will vary widely. The following list identifies some of the characteristics of persons who could be considered vulnerable although each case must be taken on its own merits and falling into one of these categories does not in



itself classify someone as vulnerable:

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

## **Section 4: RESPOND:**

### **Section 4.1: Process for debt recovery**

#### **Principle 8 - Apply best practice and a transparent recovery approach to debt collection to enable efficient and prompt collection**

We will take prompt action where a payment becomes overdue to prevent debts accumulating. We will be rigorous in ensuring all debts owed are recovered as efficiently as possible. When pursuing debts owed we may use any and all of the methods available as outlined by relevant legislation. However, the actions taken will be escalating in nature, seeking resolution from the least severe option necessary. Some recovery processes are outlined in law and are detailed further in the relevant debt section. Where intensive collection efforts to recover debts lead to an increased cost to the Council, there may be an additional cost passed on to the customer. Additional costs will be proportionate and reflective of the effort required to recover the debt. We reserve the right to use enforcement agents and collection agents where we see fit and are permitted to do so by law.

### **Section 4.2: Limitations on debt recovery**

Whilst we will make every effort to pursue the debts owed, we recognise that a small number of debts become irrecoverable. When this occurs it is good practice to promptly and regularly write off irrecoverable debts once all methods of recovery and legal procedures have been exhausted.

There are a number of factors that may make a debt appropriate for write off, including but not limited to:

- The customer has been declared bankrupt or in liquidation
- The customer cannot be traced
- The debt is over 6 years old as per the Limitation Act 1980

- Magistrates have remitted the debt
- The debt is uneconomical to pursue further, this could be for a number of reasons
- It would be inappropriate to continue the recovery process due to severe mental or physical illness
- The customer has been committed to prison for the debt
- The customer has died and has insufficient funds to repay the debt

We reserve the right to reinstate, within statutory deadlines, any debt where the circumstances for write off are no longer applicable, such as a customer becomes traceable.

### **Section 4.3: Council Tax**

If a customer does not pay their Council Tax bill we will follow the debt recovery process detailed below.

#### **First Reminder**

- A reminder will be issued stating the amount that is overdue and requesting payments be brought up to date within the set timeframe. If the amount due is not received within the set timeframe the full remaining balance of the year's Council Tax will become due. A complaint will then be made to the Magistrates' Court requesting the issue of a liability order summons.

#### **Second Reminder**

- If payments are brought up to date following the issue of the first reminder, but a further payment becomes overdue a second reminder will be issued. If the amount due is not received after the set timeframe on the second reminder the full remaining balance of the year's Council Tax will become due. A complaint will then be made to the Magistrates' Court requesting the issue of a liability order summons.

#### **Final Reminder**

- If payments are brought up to date following the issue of the second reminder, but a further payment becomes overdue a final notice will be issued stating that the right to pay by instalments has been lost and that the full remaining balance of the year's Council Tax needs to be paid within the set timeframe.

**Liability Order Summons**

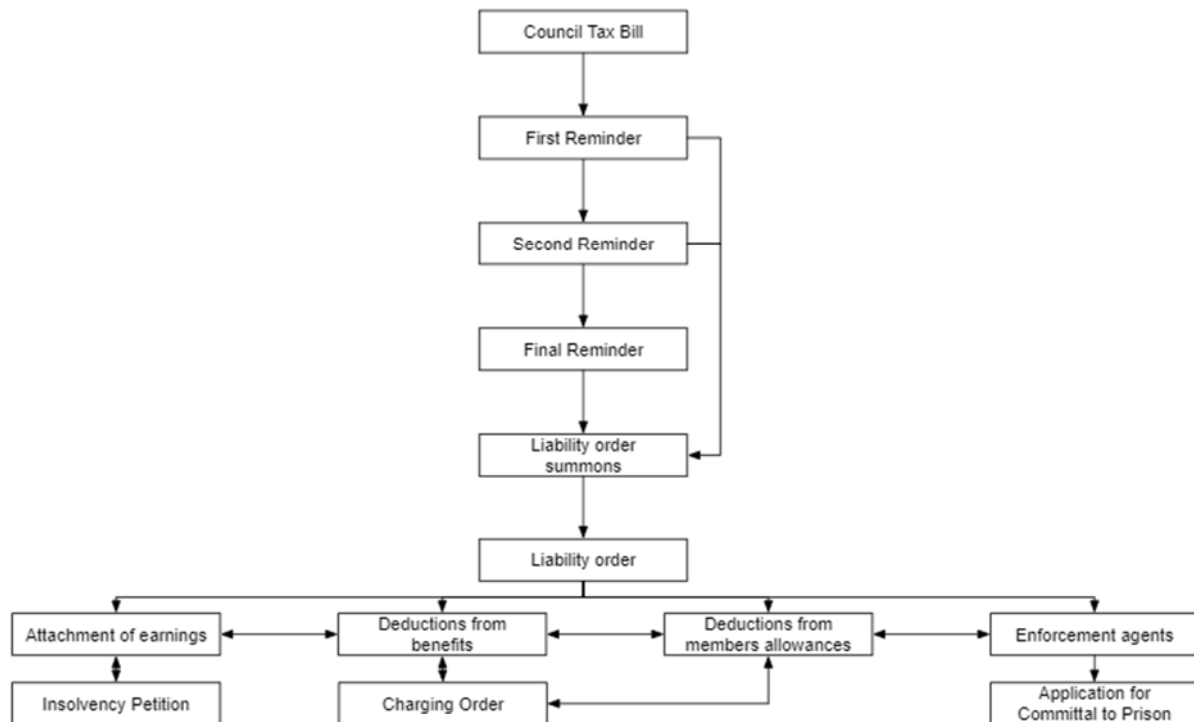
- If the full payment is not received a complaint will be made to the Magistrates' Court requesting the issue of a liability order summons. Once a complaint is made to the Court the Magistrates will issue a summons to attend a liability order hearing. The costs we incur in making the complaint will be added to the outstanding Council Tax bill.

**Liability Order**

- Once a Liability Order has been granted by the Magistrates we can proceed with the following debt recovery methods:
  - Order deductions from benefits
  - Order an attachment of earnings
  - Order deductions from the allowance of a member of a local authority
  - Refer the case to an enforcement agent for further enforcement action

**Remaining Methods**

- If all other enforcement options are not appropriate we will consider using more severe methods to collect the debt. These methods include:
  - Instigate bankruptcy proceedings
  - Applying to the County Court for a charging order to be registered against the property
  - Applying to the Magistrate's Court for the debtor to be committed to prison



## Section 4.4: Business Rates

If a customer does not pay their Business Rates bill, we will follow the debt recovery process detailed below.

### First Reminder

- A reminder will be issued stating the amount that is overdue and requesting payments be brought up to date within the set timeframe. If the amount due is not received within the set timeframe the full remaining balance of the year's rates will become due. A complaint will then be made to the Magistrates' Court requesting the issue of a liability order summons.

### Final Reminder

- If payments are brought up to date following the issue of the first reminder, but a further payment becomes overdue a final notice will be issued stating that the right to pay by instalments has been lost and that the full remaining balance of the year's rates needs to be paid within the set timeframe.

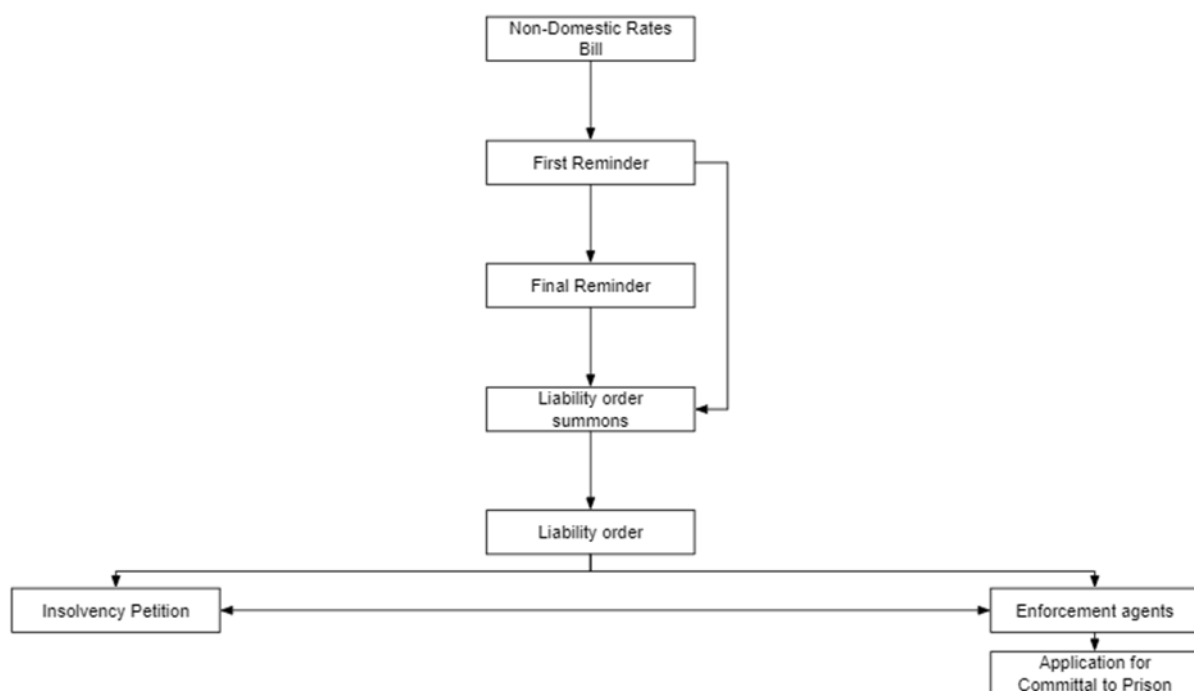
### Liability Order Summons

- If the full payment is not received a complaint will be made to the Magistrates' Court requesting the issue of a liability order summons. Once a complaint is made to the Court the Magistrates will issue a summons to attend a liability

order hearing. The costs we incur in making the complaint will be added to the outstanding rates bill.

### **Liability Order**

- Once a Liability Order has been granted by the Magistrates we can proceed with the following debt recovery methods:
  - Insolvency petition
  - Refer the case to an enforcement agent for further enforcement action.
- In most cases we will initially try to recover the debt through the use of an enforcement agent. However, if this is not appropriate consideration will be given to the use of more severe recovery proceedings such as:
  - Bankruptcy/winding up proceedings
  - Applying to the Magistrates' Court to have the ratepayer committed to prison



## **Section 4.5: Housing Benefit Overpayment**

If an overpayment of housing benefit has occurred we will follow the debt recovery process detailed below.

### **Overpayment Created / Recoverability**

- We will assess how the overpayment has been created. If it has been caused by an official error, the claimant or recipient of the benefit could not reasonably have known that an overpayment was occurring at the time and that payment was made at the time of notification. In this case, the overpayment will be deemed unrecoverable.

### **Recovery Methods**

- Once an overpayment is deemed recoverable, we may seek to recover the amount through the following methods:
  - Deductions from Housing Benefit
  - Recovery from Landlord
  - Deductions from DWP benefits

### **Issue of an Invoice**

- If it is not possible to recover the debt through the methods outlined above, an invoice is issued to the debtor for payment.

### **First Reminder**

- Once the invoice has been issued to the debtor, if neither payment nor any contact is made from the debtor, a reminder invoice will be issued within our set timeframes.

### **Second Reminder**

- Once the first reminder has been issued to the debtor, if neither payment nor any contact is made from the debtor, a second reminder invoice will be issued within our set timeframes.

### **Final Reminder**

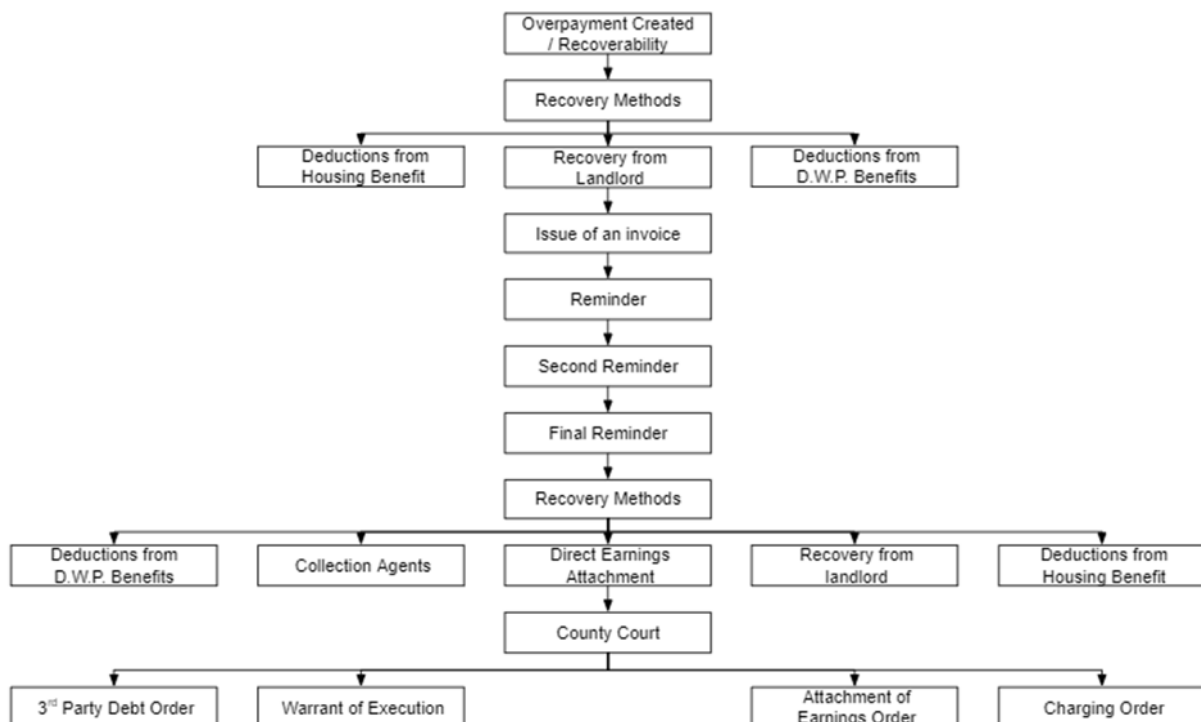
- If neither payment nor any contact is made from the debtor, a final reminder will be issued within our set timeframes. Where payment or contact is still not received within this timeframe, we will take further recovery action.

## Recovery Methods

- If we still haven't received payment following the issue of a final reminder we will seek to use the following recovery methods:
  - Deductions from Housing Benefit
  - Recovery from Landlord
  - Direct Earnings Attachment (D.E.A.)
  - Collection Agents
  - Deductions from DWP benefits

## County Court

- If payment or contact is still not received, we will take further recovery action through the registration of the debt at County Court. This enables us to use recovery methods that are otherwise unavailable without obtaining a County Court judgement:
  - Charging Order
  - Attachment of Earnings Order (A.O.E.)
  - Warrant of Execution
  - 3rd Party Debt Order



## **Section 4.6: Parking**

If a customer has been issued with a Penalty Charge Notice, we will follow the debt recovery process detailed below.

### **PCN Issued**

- The driver has 28 days to pay from the date of issue of the Penalty Charge Notice. If the charge is paid within 14 days, a discount of 50% is offered and the case is closed.
- The driver can query the PCN and no further action will be taken until the matter has been considered and a reply has been sent. If the driver writes within the 14 day period allowed for payment of the discount, and the PCN is not cancelled, a further 14 days will be allowed for payment of the discounted amount.

### **Notice to owner issued**

- If the charge is not paid within the 28 day period a Notice to Owner is issued. This gives the driver the opportunity to either pay the charge, or make formal representations.
- We will issue either a Notice of Acceptance or Rejection of Representations. If representations are rejected, the vehicle owner will be allowed to appeal to the Traffic Penalty Tribunal.

### **Issue Charge Certificate**

- If no representations are made, or representations are made and rejected by us, or an appeal is made subsequently to the rejected representations which is refused by the Traffic Penalty Tribunal and no payment is received within 28 working days, a Charge Certificate is issued, this increases the charge by 50%.

### **Register Charge as Civil Debt**

- If payment is not made within 14 working days of receipt of the Charge Certificate, we will apply to the Traffic Enforcement Centre to register the charge as a civil debt.

### **Issue Unpaid Penalty Charge Notice**

- The Traffic Enforcement Centre will then authorise the issue of a Notice of Unpaid Penalty Charge. On receipt of the Notice of Unpaid Penalty Charge, either payment of the full amount due must be made, or a Witness Statement may be submitted to the Traffic Enforcement Centre on certain grounds.



### **Issue Warrant of Control**

- If payment is not made within 21 days of the receipt of this Notice an application is made to the Traffic Enforcement Centre for a Warrant to be issued to recover the debt.
- If the Traffic Enforcement Centre authorise the Warrant we will then issue a Warrant of Control, this is valid for one year and a day and is passed to a Certified Enforcement Agent.

### **Enforcement Agent Appointed**

- The Enforcement Agent is appointed by the Traffic Enforcement Centre and will add their charges to the outstanding debt. After the Warrant of Control is issued we will not deal with any correspondence or communication, these can only be directed to the Enforcement Agent



### **Section 4.7: Sundry**

If a customer does not pay their Sundry bill we will follow the debt recovery process detailed below.

#### **Invoice Issued**

- All sundry debt invoices will be issued for payment due immediately except where there is a contractual agreement to make payment at agreed intervals (e.g. monthly direct debit subscriptions).

**Reminder**

- If payment is not received and no request is received to consider a payment arrangement, a reminder will be sent to the customer.

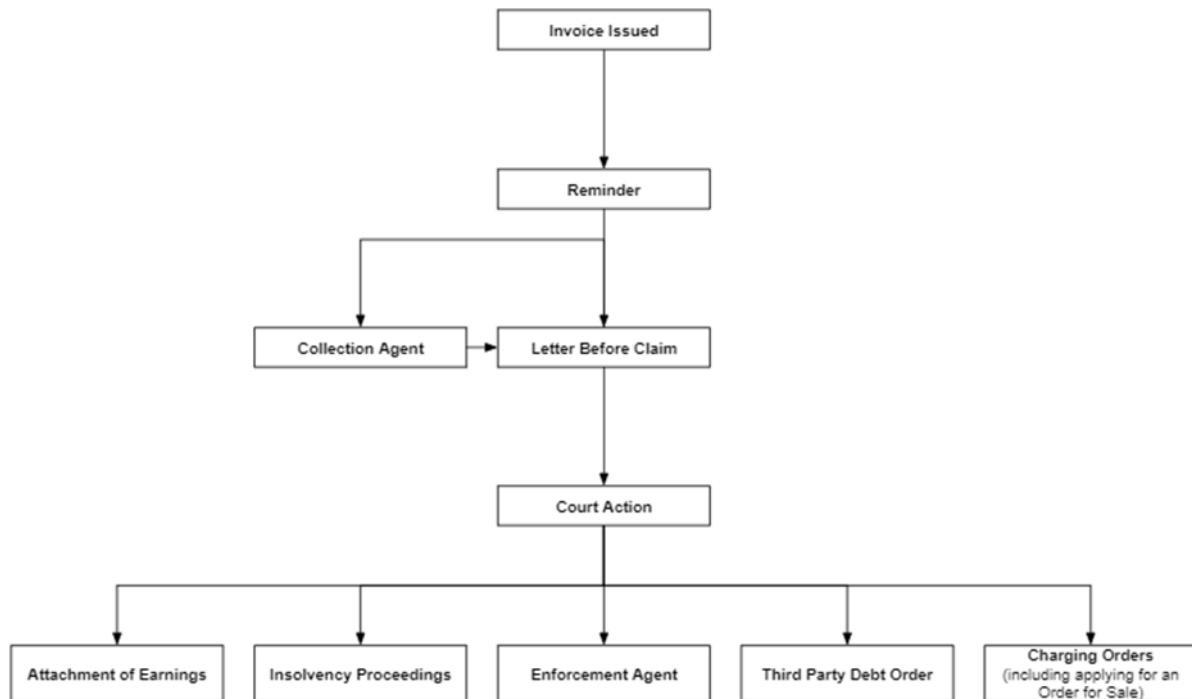
**Collection Agent/ Letter Before Claim**

- If no payment has been received within the set timeframe from the date of the reminder the debt will be subject to the following actions:
  - Referral to a Council approved collection agent.
  - Issue a Letter Before Claim giving notice that the debt should be paid within the stated set timeframe or the debt will become the subject of Court action.

Referral to collection agent and Court action are subject to a prior case assessment.

**Court Action**

- If no response is received within the set timeframe we will file a claim in Court. The legal costs incurred in the Court proceedings and any statutory and/or contractual interest claimable may also be added to the principal debt owed. The effect of issuing the claim and obtaining judgment in Court will enable us to enforce the Order via the methods detailed below:
  - Warrant or Writ of Control (County or High Court Enforcement)
  - Attachment of Earnings Order
  - Insolvency Proceedings
  - Third Party Debt Order
  - Charging Orders (including applying for an Order for Sale)



## **Section 5. REVIEW:**

### **Section 5.1: Debt monitoring**

#### **Principle 9 - Actively monitor identified areas of risk and issues to inform better decision making on our approach and resources required for debt management**

We will proactively monitor our debt position as well as other performance indicators, such as:

- The number of cases at each stage of the recovery process
- The volume and amount of debt across each service area
- The level and age of debt across each service area
- The amount of complaints received
- Collection success rate

This information will be used to continually develop and improve our debt prioritisation and risk management approach as well as assisting us to make corporate and service area debt recovery improvements.

### **Section 5.2: Complaints and appeals process**

Whilst most issues can be resolved by discussing the problem, we operate a complaints procedure whereby an individual who is not satisfied with the service received can make a formal complaint.

Alternatively customers can appeal the decisions we have made in a number of ways depending on the debt it is in relation to. The debt should be paid in the first instance with the exception of a parking or bus lane Penalty Charge Notice and will be refunded upon successful appeal, payment will not prejudice the outcome of any appeal process. Please note any appeal for a parking or bus lane Penalty Charge Notice must be received prior to payment.

### **Section 5.3: Corporate Debt Policy Review**

The policy will be reviewed annually but may be amended at any time to incorporate new procedures, practices or legislative requirements.

## Background papers

Walsall Proud Programme Contract Award Report - Cabinet 12/12/2018

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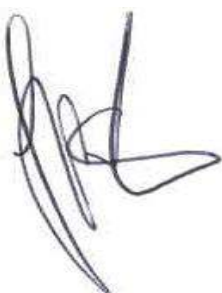
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27 August 2019



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27 August 2019



Councillor Bird  
Leader of the Council

27 August 2019

## Equality Impact Assessment (EqIA) for Policies, Procedures and Services

<b>WPP Theme</b>	<b>Income Generation &amp; Cost Recovery</b>		
<b>Proposal name</b>	<b>Corporate Debt Policy</b>		
<b>Directorate</b>	All		
<b>Service</b>	All		
<b>Responsible Officer</b>	Mark Fearn		
<b>Proposal planning start</b>	20/05/2019	<b>Proposal start date (due or actual date)</b>	04/09/2019

1	What is the purpose of the proposal?	Yes / No	New / revision
	Policy	Yes	New
	Procedure		
	Guidance		
	Is this a service to customers/staff/public?	It will affect the recovery of debts owned by customers / public	
	If yes, is it contracted or commissioned?	Both	
	Other - give details		
2	<b>What is the business case for this proposal? Please provide the main purpose of the service, intended outcomes and reasons for change?</b>		
	<p>To set out priorities and principles to prevent or mitigate against customers incurring debt to the Council. It also sets out how we will work with customers and partners to raise and collect debt from both individuals and businesses in a reasonable, fair and transparent way.</p> <p>The corporate debt policy has been developed because it is good practice to have a clearly defined and transparent approach to debt management that the organisation is committed to. This has a number of benefits to customers, staff and the Council, as set out below:</p> <ul style="list-style-type: none"> <li>• <b>Benefits for customers</b> - The corporate debt policy supports consistency and transparency in raising and collecting debt so that customers know what to expect and are treated fairly. The policy also provides guidelines to identify those who are experiencing financial difficulties and provides guidance for the provision of early and professional help to prevent further escalation.</li> <li>• <b>Benefits for staff</b> - Those involved in the management of debt know the procedures that they need to follow as they are clearly informed by the policy. This should enable more efficient collection of debts owed and also improve the Council's cash flow and financial position for budget holders.</li> </ul>		



	<ul style="list-style-type: none"><li>● <b>Benefits for the Council</b> - The corporate debt policy aims to reduce the amount of new customer debt and improve the collection of income that is due. This is vital in providing the Council with the financial resources to continue to deliver quality services.</li></ul>		
3	<b>Who is the proposal likely to affect?</b>		
	<b>People in Walsall</b>	<b>Yes / No</b>	<b>Detail</b>
	<b>All</b>	Potentially all of those individuals who utilise payable council services or receive a demand for payment /bill from the authority.	As the 'Deb Recovery Policy' will provide a set of consistent principles for how we will collect debt there may be changes to the current procedures.  The exact impact and the groups that may be affected cannot be identified at present, but this EqlA will be updated as individual proposals are developed and any relevant mitigating action / changes that may be required are identified.
	<b>Specific group/s</b>		
	<b>Council employees</b>		
<b>Other (identify)</b>			
4	<b>Please provide service data relating to this proposal on your customer's protected characteristics.</b>		
<p>Whilst there is some high level data available that would provide some indication of the number of individuals with some protected characteristics that live within Walsall (e.g. census data) this on its own would not provide clarity on how many of those individuals currently have debts with the council, and also would not provide any information regarding individuals who live outside of Walsall.</p> <p>As such overall data regarding the number of individuals with protected characteristics that are in debt with the council, and an understanding of those that may be affected by any future changes as the policy is applied is not available.</p> <p>Therefore as the council review debt collection activity and apply the guidance contained within the policy they will need to update this EqlA to identify the potential groups who may be impacted by individual proposals and any relevant mitigating action / changes that may be required.</p>			

<b>5</b>	<b>Please provide details of all engagement and consultation undertaken for this proposal. (Please use a separate box for each engagement/consultation).</b>															
	<p><b>Consultation Activity</b></p> <p>Consultation has been undertaken with the council services that are responsible for debt collection when drafting the policy along with Finance and Legal</p> <table border="1"> <tr> <td><b>Type of engagement/consultation</b></td><td>Circulation of draft policy to internal service areas of the council for review and feedback</td><td><b>Date</b></td><td>14/06/19 to 24/06/19</td></tr> <tr> <td><b>Who attended/participated?</b></td><td colspan="3">Council services responsible for the collection of debt</td></tr> <tr> <td><b>Protected characteristics of participants</b></td><td colspan="3">Internal review, not involving service users with protected characteristics</td></tr> </table> <p><b>Feedback</b></p> <p>The consultation was undertaken to ensure that the correct current procedures were included in the policy.</p> <p>The policy wording was slightly amended after review to ensure that the target audience of the policy was clear as the original wording was not always clear and consistent.</p>				<b>Type of engagement/consultation</b>	Circulation of draft policy to internal service areas of the council for review and feedback	<b>Date</b>	14/06/19 to 24/06/19	<b>Who attended/participated?</b>	Council services responsible for the collection of debt			<b>Protected characteristics of participants</b>	Internal review, not involving service users with protected characteristics		
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<b>Protected characteristics of participants</b>	Internal review, not involving service users with protected characteristics															
<b>6</b>	<b>Concise overview of all evidence, engagement and consultation</b>															
	<p>The consultation feedback has to date been internal but has not identified any views that the policy will have any adverse impacts on certain groups.</p> <p>Existing information regarding individuals with protected characteristics that have outstanding debt to the council and any understanding of those that may be affected by any future changes in charges as the policy is applied is not available.</p> <p>Therefore as the council review debt collection activity and apply the guidance contained within the policy they will need to update this EqIA to identify the potential groups who may be impacted by individual proposals and any relevant mitigating action / changes that may be required.</p>															
<b>7</b>	<b>How may the proposal affect each protected characteristic or group? The effect may be positive, negative, neutral or not known. Give reasons and if action is needed.</b>															
	<b>Characteristic</b>	<b>Affect</b>	<b>Reason</b>	<b>Action needed Yes / No</b>												
	<b>Age</b>	<p>As the 'Deb Recovery Policy' will provide a set of consistent principles for how we will collect debt there may be changes to the current procedures.</p> <p>The exact impact and the groups that may be affected cannot be identified at present, but this EqIA will be updated as individual proposals are developed and any</p>														
	<b>Disability</b>															
	<b>Gender reassignment</b>															
	<b>Marriage and civil partnership</b>															
	<b>Pregnancy and</b>															



	<b>maternity</b> <b>Race</b> <b>Religion or belief</b> <b>Sex</b> <b>Sexual orientation</b> <b>Other (give detail)</b> <b>Further information</b>	relevant mitigating action / changes that may be required are identified.
<b>8</b>	<b>Does your proposal link with other proposals to have a cumulative effect on particular equality groups? If yes, give details.</b>	(Delete one) <del>Yes / No /</del> <b>Potentially</b>
	The development of a 'Corporate Debt Policy' is one workstream of the overall Walsall Proud Programme, a whole council transformation programme, and as such there may be other workstreams within the programme that along with the development of an 'Corporate Debt Policy' may have a cumulative effect on a particular equality group, however there is no evidence of this at present, and as such as services apply the guidance contained within the policy any changes to procedures will result in a need to update this EqIA to identify any potential cumulative impact on particular equality groups.	
<b>9</b>	<b>Which justifiable action does the evidence, engagement and consultation feedback suggest you take?</b>	
	<b>A</b>	<b>No major change required</b>
	<b>B</b>	<b>Adjustments needed to remove barriers or to better promote equality</b> Existing information regarding individuals with protected characteristics that are in debt and an understanding of those that may be affected by any future changes as the policy is applied is not available.  Therefore as services apply the guidance contained within the policy any changes to procedures as a result of the guidance contained within the policy they will need to update this EqIA to identify the potential groups who may be impacted by individual proposals and any relevant mitigating action / changes that may be required.
	<b>C</b>	<b>Continue despite possible adverse impact</b>
	<b>D</b>	<b>Stop and rethink your proposal</b>

Action and monitoring plan				
Action Date	Action	Responsibility	Outcome Date	Outcome
As services across the council apply the guidance contained within the policy to debt collection with any major changes in procedure they will need to update this EqIA to identify the potential groups who may be impacted by individual proposals and any relevant mitigating action / changes that may be required.				

Update to EqIA	
Date	Detail

### Contact us

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