

APPENDIX N

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TANDRIDGE DISTRICT COUNCIL

**PAYMENTS FROM CUSTOMERS
AND DEBT MANAGEMENT
POLICY**

January 2022

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These Appendices can be accessed via the following link:

<https://www.tandridge.gov.uk/Portals/0/Documents/Appendices-for-Debt-Management-Policy.pdf>

1. INTRODUCTION

THE PURPOSE OF THIS POLICY IS TO MAKE CLEAR TO CUSTOMERS TANDRIDGE DISTRICT COUNCIL'S APPROACH TO COLLECTING INCOME.

- 1.1 Tandridge District Council has a duty to ensure that all income owed to the Council is collected efficiently and effectively for the benefit of all our taxpayers. This Policy aims to prevent our customers from falling into debt. This is best achieved by adopting the principles of clear communication with our customers, early contact and consistency in our approach.
- 1.2 The recovery process for overdue Council Tax and overdue Business Rates is set out in the legislation, so recovery notices will be issued in compliance with the law:
 - The Council Tax (Administration and Enforcement) Regulations 1992
 - The Local Government Finance Act 1988
 - The Housing Act 1985
 - The Non-Domestic Rating (Collection and Enforcement) (Local List) Regulations 1989
- 1.3 When contact is made by the customer, for example by telephone or email, a case is raised and managed by the relevant Team. We will encourage customers to pay what they can and then aim to discuss a payment arrangement if arrears are outstanding for longer periods.
- 1.4 The Council will use best practice methods, provide high standards of customer service and deal with all customers in a fair and inclusive manner. We will consider the needs of vulnerable customers. We will treat individuals consistently and fairly, ensuring that an individual's rights under the Data Protection Act 2018, and the Equality and Human Rights Act 2010 are protected.

2. SCOPE

- 2.1 This Policy covers all debts owed to the Council including:
 - Council Tax
 - Business Rates
 - Sundry Debts (e.g., charges for the Council's services and planning fees)
 - Parking Fines (managed by Sevenoaks District Council under an outsourced contract)
 - Housing Rents
 - Housing Benefit Overpayments
 - Service charges for leaseholders
 - Rechargeable repairs to current and former tenants

Please refer to Appendices 1-9 for the billing, recovery and customer support processes *[not reproduced here]*.

3. OBJECTIVES

3.1 Whilst different recovery mechanisms are used for different types of debt, all debt is recovered according to the objectives set out below. The objectives of this Policy are to:

- Maximise income and collection performance for the Council.
- Be firm but fair in applying this strategy and take the earliest possible decisive and appropriate action.
- Be courteous, helpful, open, and honest in all our dealings with customers.
- Accommodate any special needs and vulnerabilities that our customers may have.
- Work with debt advice agencies and signpost customers to seek additional advice where this is helpful and appropriate.
- Consider the circumstances of individual customers based on the information provided or information we have been able to collect.
- Continuously develop and improve our services.
- Share knowledge, information, and expertise across the Council and with other agencies whilst complying with legislation such as the Data Protection Act 2018.

4. PRINCIPLES

The Policy is underpinned by the following principles.

Making it easy to contact the Council

We will make it easy to contact the Council. Customers can reach us by any of the following means:

Website [Home - Tandridge District Council](#)

Telephone 01883 722000

Or write to us at Tandridge District Council, 8 Station Road East, Oxted RH8 0BT

If you are deaf you can dial 18001, followed by 01883 722000 from your textphone, to have a Text Relay conversation.

- Send Customer Services a text to 07786 200690, using the word TANDRIDGE at the start of your message.

Resolving customer disputes promptly

Where a customer disputes a bill or demand, the Council will aim to resolve the query as soon as possible and within 4 weeks in most cases. If a credit note or revised invoice is required, this will be raised as soon as the dispute is resolved.

Offering different methods of payment

The Council offers several different payment methods and dates for the customer to pay their account. Details of these are shown on customers' correspondence and on the Council's website.

The Council promotes direct debit for Council Tax and Business Rates as it is the most efficient method of payment; it also helps the customer to avoid missing instalments and being subject to recovery action. Direct debit may also be used for rent payments. It may not suit every individual, therefore the Council offers a wide range of alternative ways to pay, see Appendix 7 *[not reproduced here]*.

Minimising debt

We will aim to reduce the levels of arrears. We will be consistent in the way customers in debt are dealt with across the Council and support our customers to manage their priority debts.

Taking a proactive approach

We will ensure customers are made aware promptly of their liabilities across all debt streams. We will be approachable and encourage customers to contact us at the earliest opportunity so that we can take account of customers' individual circumstances and their ability to pay. We will help customers to manage their finances and reduce hardship, by agreeing to realistic repayment plans.

Taking preventative measures

We will advise on any housing assistance or taxation discounts, reliefs and exemptions to which customers may be entitled. We will encourage customers to take up their entitlement to benefits. We will assist with applications when appropriate and signpost customers to free sources of money advice, debt counselling and other support services available through the voluntary sector and other agencies.

Avoiding conflict of interest or perceived conflict of interest.

All officers, members and contractors will ensure that they have no work-related involvement with any account involving any relatives, friends, close associates, or organisations of which they or their relatives are members or previous employees. This includes making any decisions on how money owed to the Council is collected and recovered.

5 WORKING WITH CUSTOMERS WITH MULTIPLE DEBTS

- 5.1 The Council will work with customers who owe several debts, to agree an affordable payment plan. We will direct customers to organisations that offer debt counselling such as those listed in Appendix 8 *[not reproduced here]*.
- 5.2 We will provide sufficient time to customers with multiple debts so that they can seek advice and agree sustainable payment arrangements.

6. DEBT PRIORITY

- 6.1 Some customers will owe more than one debt to the Council and may be on a low income or experiencing financial hardship. In such cases customers need to be clear about which debts the Council considers a priority.
- 6.2 It is not the size of a debt that makes it a priority, but the consequences to the customer. The Council gives priority to debts where non-payment could lead to loss of the customer's home or imprisonment, such as rent arrears and Council Tax arrears.
- 6.3 Payments made by the customer will be applied to repay debts in the following order:
- Rent
 - Council Tax
 - Business Rates
 - Housing Benefit Overpayment
 - Gas and Electricity
 - Court Fines
 - Maintenance arrears
 - HMRC

7. PROVIDING SUPPORT AND ADVICE

- 7.1 We will ensure that staff are well versed in dealing with our customers and will encourage customers to contact us as soon as they begin experiencing difficulties in paying their bills.
- 7.2 Our bills and demands will clearly show how the amount owed has been calculated and we will make our bills and letters as easy to understand as possible.
- 7.3 We will also advise individuals and businesses of the range of discounts, reliefs, and reductions available at the time an account is issued and also in subsequent communications.
- 7.4 During face-to-face meetings and telephone communications, we will direct customers to the Tandridge District Council website for further information and support. Our website provides contact details for other agencies that provide specialist advice on benefits and debt matters appropriate to their needs. Links are provided below to some websites that customers may find helpful:
- [Citizens Advice](#)
 - [Money Advice Service](#)
 - [Step Change](#)

- Armed Forces – [Royal British Legion](#) and/or [SSAFA](#)
- and other appropriate support organisations (See Appendix 9) *[not reproduced here]*

7.5 We will work with other agencies to assist customers who are receiving help and liaise with them on a local level to solve issues and answer queries.

8. ASSESSING THE CUSTOMER'S ABILITY TO PAY

8.1 During the process of recovery, we will act in accordance with statutory regulations and consider advice issued by professional bodies, for example Citizens Advice, Money Advice Service and Money & Pensions Service.

8.2 When recovering multiple debts, we will help to break the cycle of debt by encouraging payment for the current year, particularly for Council Tax arrears and NNDR arrears. We will work with customers to agree an acceptable payment arrangement for recurring debts such as rent and Council Tax. Payment arrangements will be agreed within the customer's means, whilst at the same time ensuring a satisfactory level of repayment for the Council.

8.3 We will review payment arrangements to offer flexible options, including different payment dates and amounts to assist those on irregular incomes.

9. SUPPORTING VULNERABLE CUSTOMERS

9.1 We will ensure that arrears are pursued in a timely and fair manner. It is Council policy to balance customer care with the responsibility of collecting the debt efficiently. We will take individual circumstances into account.

9.2 We recognise that everyone requires a sensitive and considered approach and that some customers do not pay their debts for a variety of reasons. This may include poverty or other financial hardship. We will endeavour to balance customers' circumstances with our duty to collect.

9.3 Some examples of vulnerability include:

- Young people leaving care or those who have left care and are under the age of 25.
- The elderly or frail.
- Customers with mental health needs affecting their ability to sustain independent living.
- Customers with substance misuse, learning disability or physical disability support needs.
- Victims of Hate Crime.
- Victims of serious anti-social behaviour.
- Victims of domestic violence.
- Customers with sensory impairment support needs.

- Customers with serious ill health.
- Customers who have been homeless recently.

9.4 A vulnerable person will be required to pay the amounts they are legally obliged to pay, but the Council will take their circumstances into consideration. Help and extra time may be provided in the form of advice and assistance to understand processes and complete forms. Please go to the Council's website for access to the Council's Anti-Poverty Policy.

10. DEBT RECOVERY AND ENFORCEMENT ACTION

10.1 The Council's primary aim is to collect debt efficiently and cost-effectively demonstrate best practice in the collection of debt. We follow a three-step process.

Step One: Issue requests for payment promptly and accurately, providing clear bills, invoices, reminders, and recovery notices which show what to pay, when to pay it, how to pay and the consequences of not paying which may include legal action and additional costs being incurred.

Step Two: Referrals will be made to collection agents, enforcement agents and other measures will be considered such as special payment arrangements, attachment of earnings/benefits, bankruptcy, liquidation or charging order.

Step Three: Legal proceedings will be pursued through the Magistrates Courts when sums remain unpaid.

10.2 Timeline for the recovery of Sundry Debts

The table below sets out the timescales collecting sundry debts (Appendix 3) *[not reproduced here]*:

| Action | Timescale for Sundry Debts |
|-----------------------------------|-------------------------------|
| Original invoice | 30 days to pay |
| Reminder Letter 1 | 30 days from original invoice |
| Reminder Letter 2 | 44 days from original invoice |
| Letter Before Action | 58 days from original invoice |
| Refer to Business and Income Team | 72 days from original invoice |

10.3 The timescales for collecting different types of debt and the ways to pay are set out in the Appendices as follows [not reproduced here]:

Appendix 1 Business Rates Recovery

Appendix 2 Council Tax Recovery

Appendix 3 Sundry Debts Recovery

Appendix 4 Unpaid Parking Penalties

Appendix 5 Housing Benefits Overpayment Recovery

Appendix 6 Code of Practice for Enforcement Agents

Appendix 7 Ways to Pay

Appendix 8 Helping Customers to Pay

10.4 A range of recovery options may be used to secure payment for Council Tax and Business Rates. If the Council and the customer have failed to agree on discretionary arrangements, an application for a liability order may be made. This is an order made by the Magistrates Court which gives the Council the power to take further action to enforce payment. The following recovery measures may also be considered:

- Attachment of Earnings Order.
- Deductions from Benefits.
- The use of an Enforcement Agent.
- Insolvency action (Bankruptcy) for debts over £5,000.
- Securing the debt by obtaining a charging order against property – committal action

10.5 We will only employ certificated enforcement agents (Bailiffs) who comply with the Taking Control of Goods Regulations 2014 and will ensure they comply with the standard Code of Practice which protects our customers.

11. EVASION AND FRAUD

11.1 Fraud and the evasion of payment have a direct impact on all our residents, businesses and other organisations that use Council services.

11.2 If fraud or the evasion of payment is identified, in addition to enforcing payment, the Council will pursue further penalties or sanctions.

12. WITHDRAWAL OF SERVICE

12.1 For some services the Council will consider not continuing to provide a service in future to those customers who already owe money to the Council or have been identified as persistent late payers.

12.2 For housing rent, if a tenant does not respond to the Council's communications, or breaches Court Orders and arrangements to pay, the final stage would be to evict the tenant. At this stage the relevant Officer will send an eviction warning letter to the tenant to advise that an eviction is being arranged. The tenant may also be excluded from applying for another home through Tandridge's housing allocation process.

13. RIGHT TO OFFSET

13.1 The Council will transfer any credit that is on an account to pay off other debts that are owed to the Council. This is known as the right to “offset” or to combine accounts. Before using the right to offset, consideration will be given as to whether a customer is in financial difficulty and whether they have enough money to cover reasonable day-to-day priority debts such as:

- Mortgage
- Rent
- Council Tax
- Food bills.

The right to offset accounts also applies to suppliers to the Council and other payees. In other words, if a supplier is due a payment from the Council, but owes business rates, it is possible for the Council to use the payment due for supplies to the Council to reduce the outstanding business rates owed by the supplier to the Council.

14. MONITORING AND REPORTING ON THE COUNCIL’S PERFORMANCE

14.1 The collection of Rent, Council Tax, Non-Domestic Rates and Sundry Debts are all under public scrutiny as Key Performance Indicators (KPIs). The efficiency of this policy and associated procedures will be monitored through the following KPIs, which are currently reported quarterly as part of the Corporate Performance framework:

- % of Council Tax debt recovered.
- % of Non-domestic Rate debt recovered.
- % of BID debt recovered.
- % of Sundry debt recovered.
- % of Housing Benefit overpayment.
- % of debt outstanding year-on-year, on a quarterly basis.
- % of rent collected.

14.2 Aged debt profiles for review by the Executive Leadership Team will be provided monthly. Similar debt profiling reports will be provided to Council Members on no less than a quarterly basis. Monthly, or if necessary, more frequent reports will be provided to the Finance Business Partners.

15. EQUALITY DUTY

Under the Equality Act 2010, the Council, in exercising any of its functions, must have due regard to the need to:

- eliminate unlawful discrimination
- advance quality of opportunity
- foster good relations between people of different backgrounds
- be fair to all.

16. USE OF DATA

- 16.1 The Council will collect and store personal data for the purposes of the effective billing, collection, and recovery of sums due. Data retained for this purpose will be processed in accordance with the Data Protection Act 2018 and will be always stored securely.
- 16.2 Data will be shared with agents or contractors appointed by the Council for the purposes of the billing, collection, and recovery of sums due. Data may also be shared within the Council or with external organisations where the law allows, where it is in the interests of the debtor or where it will prevent fraud or the unlawful evasion of payment of sums due.

17. REVIEW OF THE DEBT MANAGEMENT POLICY

- 17.1 The Chief Finance Officer has overall responsibility for the implementation, monitoring and review of this Policy. It will be monitored and updated at least every two years to take account of changes in legislation and best practice.
- 17.2 The Council's Business and Income Service, Exchequer Services and service teams such as Parking will work with customers to resolve matters before enforcement action is taken. This may include the agreement of payment arrangements and signposting customers to other agencies that can provide money advice.

