

Gosport Borough Council

**CORPORATE
DEBT POLICY**

Objectives

To minimise the debts owed to Gosport Borough Council by ensuring that :-

- wherever possible payment is received before the service is provided
- money due to the Council is received with minimum delay
- enforcement action is appropriate and timely

Whilst this policy applies to arrears of rent from current Council House tenants it is recognised that the recovery process is by way of possession proceedings and not debt recovery.

Implementation

This Corporate Debt Policy will be implemented through adherence to the General Principles and Code of Practice contained within this document.

General Principles

A debt is money that has not been paid to the Council in accordance with the terms of any agreement or statutory provision.

In the interests of all Council Tax Payers:-

- before providing a service or taking action for which the Customer has to pay Officers should ensure that they have correctly identified the person who is liable to pay, have an enforceable agreement from that person to pay and that the terms of the agreement are clear.
- invoices and bills will be issued promptly.
- Customers have a responsibility to pay any monies due and should pay promptly and regularly.
- Customer's financial circumstances will be taken into account and information on what assistance and benefits may be available will be provided.

CODE OF PRACTICE FOR COLLECTING DEBTS OWED TO GOSPORT BOROUGH COUNCIL

1. CONTACT WITH THE DEBTOR

- Ensure from the first contact with the Customer that they are clear as to the amount which will be due and when it has to be paid.
- Ensure that the invoice/bill is raised promptly.
- Ensure that recovery action is started as soon as the sum becomes a debt.
- When contacting the debtor be clear, accurate and easily understood
- Advise the debtor at the earliest opportunity that a debt is owing to the Council and encourage them to contact the Council before the level of debt becomes unmanageable
- Send out all notices promptly and in accordance with legal requirements.

- Treat customers as individuals taking into account the personal circumstances of the individual.
- Keep the debtor informed of the action being taken at each stage of recovery.
- Provide support for customers with special needs by the provision of alternative information formats, translation services for people with language/communication problems, home visits for vulnerable customers and people with mobility problems, where applicable.
- Regularly review and where appropriate, redesign forms, letters and leaflets to ensure customers understand the implications of actions we can take and the help and advice that is available to them.
- Promote through posters, leaflets and letters, sources of independent advice for debt management and maximisation of benefits such as The Citizen's Advice Bureau and The Money Advice Service
- Deal with all enquiries in accordance with the Council's service standards.
- Deal with complaints in accordance with the Corporate Complaints Procedure.

2. COLLECTION AND RECOVERY

- Ensure that wherever possible, full payment is obtained before the service is provided
- Ensure that officers are aware of their Unit's procedures for dealing with the collection and recovery of monies
- Ensure that a wide range of payment methods are available so that payment in full is received as soon as possible
- The Council promotes payment methods which are cost effective such as direct debit
- Ensure all payments are officially receipted and applied to relevant accounts within one working day of receipt
- Ensure prompt and appropriate action to recover money is taken before debts become unmanageable.
- Provide and make widely available clear accurate and understandable information about any particular statutory recovery procedures including sanctions
- Adhere to time limits set in the recovery procedures.
- If there are any concerns over the success of any recovery action contact Legal Services at an early stage in the recovery process.
- Comply in a timely manner with all requests for information and assistance from other Units involved in the recovery process

3. ENFORCEMENT/COLLECTION AGENCIES

- Ensure that enforcement action is performed either by Court Enforcement Agents for debts recovered in the County Court or Certificated Private Enforcement Agents in accordance with other recovery procedures.
- Any third party engaged by the Council will operate in accordance with the appropriate legislation.
- If any third party is to be engaged this will be subject to the prior written approval of the Borough Treasurer and Borough Solicitor and Deputy Chief Executive.

4. BENEFITS/OTHER REDUCTIONS

- Encourage residents of the borough to take all welfare benefits/other reductions available to them. This will reduce some of the debts payable.
- Where assistance is required by customers to complete their application, they will be referred to the appropriate agency

5. CUSTOMER CARE

- Deal with debtors in a professional manner at all times displaying courtesy and respect.
- Provide facilities to enable customers to discuss their debts in a confidential environment offering assistance wherever possible.
- Ensure every measure is taken to treat debtors in a consistent manner.
- Provide information for customers about rights of appeal and complaints procedures.

6. MONITORING AND ADMINISTRATION OF DEBTS

- Age Debt Analysis is to be undertaken on a regular basis, to ensure debts are being collected efficiently and effectively against set targets.
- A regular review of the costs of not recovering debt promptly and the resources available should be undertaken. The review should include analysis of the effectiveness of the various recovery actions employed and their associated costs.
- Provision for bad debts is to be reviewed on a regular basis and where such debts occur they are to be dealt with in accordance with Financial Regulations and the Scheme of Delegation to Officers.
- The Debt collection performance in key areas such as Council Tax, NNDR, Housing Rents and Benefit Overpayments are closely monitored and performance is reviewed by The Chief Executive Officer on a quarterly basis

7. MONITORING AND EVALUATION OF THIS POLICY

- The policy will be reviewed on an annual basis and any significant changes will be considered by Council Management Team and submitted to Policy and Organisation Board for consideration and approval.