



Fair Debt Collection Policy

Mae'r ddogfen hon ar gael yn Gymraeg This document is also available in Welsh

Fair Debt Collection Policy

1. Background & Introduction

- 1.1 The purpose of this Fair Debt Policy is to establish guidelines on how the Council will recover debts owed. It sets out the framework for a consistent and sensitive approach to the recovery of debts and importantly, it aims to offer customers who experience payment difficulties with practical payment solutions which take account of the customer's personal circumstances.
- 1.2 The Council has already developed a Corporate Debt Policy which establishes standard procedures for the collection of debt. The Fair Debt Policy is separate to this and is primarily a customer focused policy to assist those in financial difficulty owing single and multiple debts to the Council.

2. Principles of the policy

- 2.1 Flintshire County Council is committed to collecting all of the income which is due to the authority as this is an important income stream to support the delivery of services to residents.
- 2.2 It is equally as important for the Council to recognise that customers will have times and circumstances in their lives where they will be unable to meet all of their financial commitments and need the Council to work with them or their representatives resolve the payment difficulties.
- 2.3 The Policy is about putting in place a co-ordinated and consistent approach to collecting multiple debts owed to the Council ensuring that where a customer makes contact to discuss payment difficulties their circumstances will be considered fairly and objectively with a view to agreeing a reasonable payment arrangement, minimising recovery action and working to avoid additional costs to the customer.
- 2.4 The Policy also recognises that collection of debt should be fair to everyone, especially those who pay on time, but that some people may deliberately avoid their payment obligations by delaying payment or choosing not to make payment at all. In all such cases, proportionate measures will be deployed to develop a culture of payment while always encouraging those in need of help to get in touch with the Council at an early stage.
- 2.5 The Policy commits the Council to operating in a fair and equitable way when recovering debts, ensuring that any action taken to recover unpaid debts is always proportionate, consistent and transparent.
- 2.6 In summary, the Policy should ensure that each customer is treated fairly, as an individual and with compassion in cases where genuine financial hardship is experienced

3. Types of debt covered by the policy

3.1 The Fair Debt policy covers council tax, council rent, housing benefit overpayments, personal and non commercial debts administered by the Corporate Debt collection service.

4. Communication and contact with the council

4.1 Advice and information will always be made available to customers at every stage of the process. The Council will make clear what action is being taken and why.

4.2 The Council will also explain to customers what they should do if they are unable to pay and importantly where they can get independent money advice and support for wider debt problems.

4.3 Escalation procedures will always give a clear indication to the customer of the next stage in the Councils recovery process including any additional costs to be incurred on the debt.

4.4 In cases of non payment, the Council will let know customers in writing promptly and invite them to make contact with the Council at an early stage of the recovery process with a view to making a payment agreement if they are experiencing financial difficulty.

5. Benefits, discounts and exemptions and money advice

5.1 The Council will seek to inform customers of their entitlement to means tested and non means tested benefits, discounts and exemptions to ensure entitlements are correct and that no one pays more than they are legally required to.

5.2 The Council will provide easily accessible information about benefits, discounts, exemptions and independent money advice and support through a range of communication channels, including public leaflets, inserts with bills, recovery documents and public information via the Councils website.

5.3 The Council will actively promote and signpost the services of independent money advice and support agencies and seek to work in partnership with local advice agencies.

5.4 The Council will work towards providing Advice Agencies will a single point of contact relevant to each service area so that issues can be taken up and resolved quickly and to better manage multiple debt cases.

6. Responsibilities of customers

6.1 The Council expects customers that owe sums to the Council to comply with all legal obligations. The Council is committed to working with customers as set

out in this policy and it is the Council's expectations that those owing sums to the Council will contribute to this process by abiding by the following guidance:

- o Pay amounts promptly to ensure receipt by the Council by the payment due date
- o Follow instructions provided regarding the making of payments to ensure payments are credited correctly
- o Inform the Council promptly of any change in circumstances that may affect the amount to be paid or the ability to pay
- o Notify the Council promptly if there is a change of address
- o Contact the Council promptly if there are payment difficulties
- o Respect the Council, its employees and its agents and respond to them courteously

7. Arrangements for Repayment of Debts

7.1 Throughout the debt recovery process, the Council will focus on the need for personal contact with the customer.

7.2 If a customer is unable to pay a debt owed to the Council they should in the first instance contact the Council to discuss their position.

7.3 Once the customer has contacted the Council about difficulties they are having with making the payments the Council will seek to establish a repayment plan considered:

- o the principles of the fair debt policy
- o the customer's ability to pay relative to the outstanding balances and the cost of recovery
- o the need to repay the debt within a reasonable timescale
- o standard procedures will be followed having due regard to the customer's income and expenditure – when undertaking a detailed assessment of a customer's financial situation an income and expenditure form replicating the form used by the Citizens Advice Bureau. The Council will work towards measuring expenditure against the Bureau's Common Financial Statement to ensure a consistent approach is taken to assessing a customer's financial circumstances.

7.4 The Council will try to resolve all queries and make a payment arrangement during the first contact, especially in the case of single debts owed to the Council. Payment arrangements will be confirmed setting out the payment obligations that the customer is expected to keep to.

7.5 The Council will seek as much information as possible about the customer's circumstances as considered necessary in order to make the best assessment of their ability to pay and to determine a realistic payment arrangement. More information is likely to be required where an initial assessment indicates the customer is unable to pay the debt

over a short period of time and where the debt will not be repaid in full by the end of the financial year in which pay is due.

- 7.6 Where a customer refuses to divulge any information that is considered essential to assessing their ability to pay then no payment agreement will be entered into.
- 7.7 Customers and/or advice agencies working on behalf of the customer will be encouraged to notify the Council of multiple debts and agree a co-ordinated payment plan covering all debts owed to the Council. In turn, Council Officers will actively co-operate with each other to agree a single payment plan and to ensure all repayments are sustainable.
- 7.8 Whilst the benefits of agreeing a co-ordinated payment plan will be explained to the customer, the Council recognises that the customer has the right to deal with debts separately if they so choose.
- 7.9 Payment plans for multiple debts owed to the Council will be designed to allow customers to initially make payment towards priority debts owed to the Council (Rent payments and Council Tax) and then towards all other debts owed to the Council. In appropriate cases, where have wider debt problems, the Council will signpost customers to external advice agencies.
- 7.10 For customers entering into single payment agreements for multiple debts owed to the Council, except where repayments are established through court orders or agreed rates of deduction from benefits, repayments will normally be distributed in direct proportion to the priority and then lower debts outstanding to each service area.
- 7.11 Where the level of repayment required cannot be met the Council will work towards the use of an income and expenditure form officer using a common financial statement to access the financial means of the customer.
- 7.12 If no contact is made then the Council will contact the customer in writing promptly to set out the consequence of not paying the debt. The Council will stress the importance of the customer contacting the Council at an early stage to discuss the issue

8. Late or missed payments

- 8.1 If for what ever reason the customer is unable to make a payment they will be encouraged to contact the Council prior to the payment failing to be made.

8.2 Where a payment arrangement has been agreed but payment is not received in accordance with the agreement, before further action to recover the unpaid debt is considered, the Council will write to the customer promptly to request payment of the sums due and explaining the consequences of failing to pay.

8.3 The Council will also encourage the customer to make further contact to discuss any payment difficulties or change in circumstances. A reasonable period of time will be provided to the customer to bring the payment agreement up to date or to make further contact with the Council.

8.4 Where a customer fails to bring a payment agreement up to date or persistently fails to keep to a payment agreement the Council will consider taking further steps to recover the unpaid debt and a further payment agreement will not normally be considered unless the customer's circumstances have significantly changed.

9. Enforcement action

9.1 The Council will use In-house and external Debt Recovery Services to recover debts where customers have persistently failed to pay.

9.2 The use of enforcement agents to recover debt will only be considered by the Council when all reasonable attempts to recover the debt have been exhausted. In all such cases, the Council will use only reputable and appropriately appointed organisations that have been contracted to the Council through a full procurement exercise.

9.3 All enforcement agent organisations will comply with the National standards set for enforcement activities.

9.4 The Councils in house enforcement team and any external enforcement providers will ensure that all enforcement agents have an appropriate knowledge and understanding of all relevant legislation, case law and powers, and at all times act in accordance with them.

9.5 Enforcement agents and employees, contractors and agents of the enforcement company must be aware that they represent the Council in their dealings with customers. They will always act in a responsible, professional and courteous manner and be aware that their behaviour, appearance and attitude have a great influence on the success of the debt recovery process.

9.6 The enforcement agents will at all times use their professional judgement to refer back to the Council if he considers that, due to the personal circumstances of the debtor, it would be inappropriate to proceed with Taking Control of Goods.

10. Monitoring and Review

- 10.1 It is proposed that a Fair Debt working group will be established to monitor the effectiveness of this policy. The group will consist of senior managers within the Council responsible for debt recovery and debt recovery specialists from the Citizens Advice Bureau.
- 10.2 The group will meet initially on a quarterly basis to discuss the implementation of the policy and thereafter to review and update the policy as and when the need arises.