

**FAREHAM**  
BOROUGH COUNCIL

**COLLECTION AND RECOVERY  
POLICY**

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## INTRODUCTION

1. The Council has a duty to ensure that all revenue owed to the Council is collected efficiently and effectively for the benefit of all Council Tax payers
2. The effect of late payment and non-payment of income due to the Council is such that an additional burden is placed on the residents and service-users of the Borough, including those who pay on time. Those residents may be expected to make up the lost income and interest forgone through higher Council Tax, rent or other charges. Residents and businesses may also face potential reductions in the quality or quantity of services provided, as budgets are restricted.
3. In striving to continually improve collection and recovery performance, the Council recognises that some people do not pay their debts for a variety of reasons. This may include poverty or other financial hardship, which the Council will endeavour to balance against its duty to collect. Conversely, this policy aims to take a robust approach to those who can pay but won't pay. The Council also believes that its debt collection and recovery policy should be fair to everyone notwithstanding their age, race, gender, disability, sexuality or religious belief.

## LINKS TO THE COUNCIL'S CORPORATE OBJECTIVES

4. The Council has identified a number of corporate priorities detailed in its Corporate Strategy 2011-17. The priorities particularly relevant to this policy are:
  - To build **strong and inclusive communities**, and
  - To be a **dynamic, prudent and progressive council**
5. This policy therefore aims to support these priorities.

## POLICY AIMS

6. The key aims of this policy are as follows:
  - To use cost effective and fair collection and recovery practices in the pursuance of all debts owed to the Council, ensuring that those with the means to pay do pay
  - To ensure a professional, consistent and timely approach to recovery action across all of the Council's functions
  - To consider fully the customers circumstances and ability to pay in order to distinguish between those who won't pay and those that genuinely can't pay
  - To develop a corporate approach towards managing multiple debts owed by a customer to the Council
  - To improve the levels of income collected by the Council and reduce levels of debt
  - To ensure that debts are managed in accordance with legislative provisions and good practice

- To treat individuals consistently and fairly and to ensure that their rights under Data Protection, Human Rights and Equality legislation are respected

## **DEBTS COVERED BY THIS POLICY**

7. The debts covered by this policy are shown below:
- Council Tax - the charge payable on all domestic properties in the borough
  - Business Rates - the charge payable on all commercial properties in the borough
  - Sundry Debts - the fees and charges made for a wide and varying range of Council services
  - Housing Benefit overpayments - occurs when the benefit paid and the claimant is not entitled to some or all of it
  - Housing Rent arrears - the charge payable on all Council owned properties in the borough
  - Penalty Charge Notices - issued if a vehicle has contravened a parking restriction

## **THE LEGAL FRAMEWORK FOR RECOVERY**

8. The Council has a legal duty to ensure cost effective billing, collection and recovery of all sums due to it
9. This policy is in addition to existing legislation and is designed to enhance the procedures already in place to collect debt

### **Local Taxation**

Council Tax recovery procedures are laid down by statute in the Council Tax (Administration & Enforcement) Regulations 1992 and subsequent amendments

National Non-Domestic Rates recovery procedures are laid down by statute in the Local Government Finance Act 1988 and subsequent amendments

Fareham Borough Council appoints bailiffs to recover local taxation arrears who act in accordance with an agreed Service Level Agreement. Only certificated bailiffs can levy "distress" for local taxation and fees charged to the customer are governed by legislation

### **Sundry Debts**

Sundry Debt arrears are collected in accordance with local procedures that reflect best practice wherever practicable.

## Housing Benefit Overpayments

Housing Benefit overpayments are recovered in accordance with the Housing Benefit Regulations 2006 and subsequent amendments. Fareham Borough Council engages the services of a debt collection company in accordance with an agreed Service Level Agreement.

## Housing Rents

Housing Rent arrears are recovered in accordance with the Housing Act 1985 (secure tenancies) and Housing Act 1996 (introductory tenancies). Fareham Borough Council has a Rent Arrears Protocol which sets out the activities involved in recovering rent arrears

## Penalty Charge Notices

Penalty Charge Notices are recovered in accordance with the Road Traffic Act 1991 and the Traffic Management Act 2004.

## THE PRINCIPLES OF GOOD PRACTICE

10. It is recognised that people do not pay their debts for a variety of reasons. Some people will have difficulty in paying and others may deliberately set out to delay payments. For those who "can't pay", we will make every effort to help and minimise the impact of debt on them. For those who "won't pay", we will use all methods of enforcement to secure payment.
11. The following good practice principles strengthen the Council's recovery of debt

### Accurate and prompt billing

12. Full names, contact address and a phone number will be established wherever possible prior to service provision or invoicing/billing.
13. All bills and invoices will be raised as soon as relevant systems allow and will include clear, relevant and full information as to:
  - What the bill is for, including date or period of service covered and amount
  - When payment is due
  - How to pay
  - How to contact us if there is a query in relation to the bill or in relation to making payment
  - Where information in other languages or formats can be accessed
14. All letters and reminders will:
  - Be written in plain English
  - Explain fully what has been agreed and the consequences of non-payment
  - Include appropriate contact details

15. The Council will endeavour to respond to correspondence regarding payment within 10 working days, unless otherwise notified, to prevent unnecessary delays in payment and/or incorrect debits from customer's accounts. Other problems, discrepancies and disputes will be dealt with as soon as possible.

### **A range of payment options**

16. It is acknowledged that the easier it is to pay, the more likely it is that payment will be made. Payment by Direct Debit is the Council's preferred method of payment and we would expect that where instalment plans have been arranged then these will be paid by this method. We will continue to provide a wide choice of convenient methods of payment for bills and invoices and details of these will be advised on every bill.
17. Details of our current payment options can be seen at Appendix A.

### **Affordable repayment arrangements**

18. It is the Council's expectation that monies owed will be received by the due date. If this is not possible then the Council will enter into a mutually acceptable payment plan to ensure the debt is cleared at the earliest possible opportunity.
19. A full list of contact details can be seen at Appendix B
20. The need for people in debt to communicate their status is important. Where a person makes contact their circumstances will be considered with a view to agreeing a reasonable payment arrangement (except in the case of statutory timescales), minimising recovery action and helping to alleviate hardship. Where people fail to make contact or maintain arrangements, recovery action will continue.
21. Customers seeking help due to financial difficulties will, where appropriate:
  - Be given the opportunity to have their ability-to-pay assessed by the relevant recovery team
  - Be invited to provide details of their means by listing their income and outgoings. (Evidence to confirm the accuracy of the means statement will be requested if necessary)
  - Be asked if they have other debts owing to the Council that they also wish to be considered
22. If it is felt that the customer has the ability to pay, then recovery action will continue promptly within the existing arrangement for the type of debt.
23. Where there is no continuous liability, a special long-term arrangement may be made according to the ability to pay and the existing recovery provisions, e.g. an attachment of earnings. Where liability is continuous e.g. Council Tax, any arrangement made will normally require payments over and above the on-going monthly liability.
24. Long-term payment arrangements will be strictly monitored and reviewed. If there is no improvement by the review dates and if the amount cannot be reduced, the council will reserve the right to continue with legal action. This is to protect the council's interests and prevent the debt from becoming statute barred and irrecoverable.

25. Customers given time to pay will be advised to contact the Council immediately should they experience a change of circumstances affecting their ability to pay in order to discuss the options available to prevent recovery action and additional costs.
26. If a customer fails to co-operate by:
  - Refusing to provide details of their means, and/or
  - Not consenting to multiple debts being dealt with together, and/or
  - Failing to pay a special arrangement on time without contactthen recovery action will be taken promptly in the normal way.

### **Advice on ways to reduce bills and maximise income**

27. We welcome the involvement of welfare agencies in connection with debts and recognise the benefits that these organisations can offer both the customer and Council in prioritising debts and maximising income. We will work with such agencies whenever possible.
28. We will encourage customers to use money advice services available from the Citizens Advice Bureau, the Directgov website, Hampshire Credit Union or any similar service
29. We will signpost customers to benefit and debt advice, where appropriate
30. Examples and contact details of Debt and Money Advice agencies can be seen at Appendix C.

### **Access to advice and information**

31. We recognise the importance of keeping our customers informed about the recovery process, the consequences of not making payment and where they should go for help and advice
32. We will:
  - Invite and encourage customers to make contact with us as soon as they begin experiencing difficulties paying their accounts
  - Ensure that advice and information given to customers is consistent
  - Provide documents in a range of formats where requested
  - Assist customers with a translation service where appropriate
33. In addition to the information included with bills and invoices, we will ensure that information is available on the Council's website.

### Communication between recovery teams

34. If a customer takes up the offer to deal with all council debts collectively, the various recovery teams will endeavour to take a holistic approach to collection without prejudice to their own recovery team. The recovery teams will agree the appropriate lead team responsible for managing each case. This will often be the recovery team handling the largest outstanding debt. The recovery teams will also agree the priority allocation of any payments to outstanding debts.

### Appropriate recovery action is taken

35. We will always seek to make realistic arrangements to clear outstanding debts by regular payments in preference to taking legal action for recovery
36. Any reminders we issue will convey a willingness to discuss matters with customers and encourage them to make contact if they cannot pay as advised. They will also make the customer aware of the consequences of failing to pay or keep to arrangements.
37. We will follow the principles of enforcement outlined below:
- Our action will be **proportional** - we will strike a balance between the potential loss of income to the Council and the costs of taking a course of action
  - Our approach will be **consistent** - with the aim of achieving consistency in the advice we give, the use of our powers and in the recovery procedures we use
  - Our actions will be **transparent** - to help customers to understand what expected of them and to explain the reasons for taking any recovery/enforcement action

### Use of external bailiffs and collection agencies

38. Where bailiffs and/or debt collection agencies are instructed, they will be required to work within agreed guidelines and relevant industry Codes of Practice at all times.
39. The performance and use of bailiff services and debt collection agencies will be monitored and reviewed on a regular basis.

### Irrecoverable debts

40. Despite our procedures for recovering debts there are always cases that may be deemed impossible or not cost effective to pursue. There are a variety of reasons why this might happen, these include:
- The balance outstanding is of a very small amount
  - The customer has left an address and we are unable to trace them
  - The customer has died and there is not sufficient funds from their estate to pay the amount owed
  - The customer is bankrupt or if the company is insolvent
  - It is uneconomical to pursue the debt
  - Health and financial considerations



- Statute barred - an invoice is irrecoverable if six years have elapsed from the date of invoice, date of service or last payment date, whichever is the later. If the debt is acknowledged by the debtor the six years runs from the date.
41. We will monitor all outstanding debts to ensure that they are recoverable and will take prompt action when irrecoverable debts are identified to write them off in accordance with our financial regulations.
  42. A consolidated view of all debts owed by the customer will be taken by the Council before any debt is considered for write off.
  43. The formal 'writing off' of any debts will not rule out recovery action being taken in the event that a customer's circumstances change.

## **PROCEDURES AND TRAINING**

44. Although the process for collecting different types of debt may vary, they must reflect the Council's requirement for a corporate approach to recovering debt as set out in this policy.
45. This policy will be made available to all staff dealing with income collection and debt recovery and will be reinforced with appropriate training.

# Appendix A

## Available methods of payment

### Direct Debit

This is the Council's preferred method as it is the most cost-effective and efficient way to make payment.

### On - line

This enables payments to be made 24 hours a day, 7 days a week through a secure internet payments service

### By phone (automated service)

This enables payments to be made 24 hours a day, 7 days a week using a secure, automated telephone service

### By phone (during office hours)

This is available for those who would prefer to speak to a Council officer in order to make a payment via the online payment service.

### Direct banking

Standing orders or internet banking payments can be sent to:

Fareham Borough Council BP Account

Sort Code 52.41.32

Account number 07020066

### Payment Swipecards

This enables payments to be made to the Council at over 40,000 UK retail outlets, Post Offices or any outlet displaying the PayPoint logo.

### By post

Cheques (cash should not be sent in the post) can be sent to:

Fareham Borough Council

Cash Office

Civic Offices

Civic Way

Fareham

PO16 7AZ

### In person

Payments by payment swipe card, cash, cheque, postal order or debit card can be made to the Cash Office at the Civic Offices between the hours of 8.45am and 4.00pm Monday to Friday.

Further information about all these methods of payments can be found on our 'Pay It' pages on our website [www.fareham.gov.uk](http://www.fareham.gov.uk)

# Appendix B

## Contacting the Council

**Fareham Borough Council**, Civic Offices, Civic Way, Fareham, PO16 7AZ

Civic Offices opening hours

- Monday to Thursday 8.45am to 5.15pm
- Friday 8.45am to 4.45pm

Cash Office opening hours

- Monday to Friday 8.45am to 4.00pm

## Local Taxation and Business Rates

Email: [counciltax@fareham.gov.uk](mailto:counciltax@fareham.gov.uk)

Tel: 01329 824651

Minicom: 01329 824814

## Sundry Debts

Email: [exchecquer@fareham.gov.uk](mailto:exchecquer@fareham.gov.uk)

Tel: 01329 236100

Minicom: 01329 824814

## Housing Benefits Overpayments

Email: [benefits@fareham.gov.uk](mailto:benefits@fareham.gov.uk)

Tel: 01329 824646

Minicom: 01329 824814

## Housing Rents

Email: [housing@fareham.gov.uk](mailto:housing@fareham.gov.uk)

Tel: 01329 236100

Minicom: 01329 824814

## Penalty Charge Notices

Email: [parkingservices@fareham.gov.uk](mailto:parkingservices@fareham.gov.uk)

Tel: 01329 236100

Minicom: 01329 824814

# Appendix C

## Debt and Money Advice Agencies

Details of agencies that provide debt advice and assistance services.

### **Fareham Citizens Advice Bureau**

2<sup>nd</sup> Floor, County Library Building  
Osborn Road  
Fareham  
PO16 7EN

Tel: 08444 77 22 32  
Fax: 01329 223119  
Web: [www.farehamcab.org.uk](http://www.farehamcab.org.uk)

### **National Debtline**

Tricorn House, 51 - 53 Hagley Road  
Edgbaston  
Birmingham  
B16 8TP

Tel: 0808 808 4000  
Fax: 0121 410 6230  
Web: [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

### **Consumer Credit Counselling Service**

Wade House  
Merrion Centre  
Leeds  
LS2 8NG

Tel: 0800 138 1111  
Web: [www.cccs.co.uk](http://www.cccs.co.uk)

### **Hampshire Credit Union**

97 Fratton Road  
Portsmouth  
PO1 5AG

Tel: 023 9282 7980  
Email: [info@usal.org.uk](mailto:info@usal.org.uk)  
Web: [www.usal.org.uk](http://www.usal.org.uk)

### **Age UK**

[www.ageuk.org.uk](http://www.ageuk.org.uk)

### **Directgov**

[www.directgov.uk](http://www.directgov.uk)

### **Shelter**

[www.shelter.org.uk](http://www.shelter.org.uk)