



CORPORATE DEBT POLICY

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1 Introduction

Implementing a Corporate Debt Strategy has been identified as an essential element for local authorities in the coherent management of debt in terms of Regulations under the Debt Arrangement and Attachment (Scotland) Act 2002.

The purpose of this document is to create a corporate debt policy for West Dunbartonshire Council.

Corporate Debt is the gathering together of all debt owed to the Council by a citizen to ensure a joined up approach to recovery and fair and equitable treatment for the citizen.

The policy also complements the wider strategies of the Council in relation to financial/social inclusion and anti poverty.

It sets out the general principles to be applied in relation to debt management across all services provided by the Council. It is to be used together with more detailed procedural guidance for staff.

2 Background

The Council has a duty to all of its citizens to collect all debts due to it, including council tax, council house rents and other Council charges as quickly and economically as possible. The Council's ability to deliver services which meet the needs of its citizens depends heavily on its success in collecting revenues.

The Council is committed to promoting financial and social inclusion and in doing so to recognise the problems of multiple indebtedness, poverty and deprivation, and the need to break the poverty trap by helping citizens to meet their liabilities in a controlled and managed manner.

The Council will integrate the work of welfare agencies into the debt collection process and recognises the benefits that these organisations can offer both the debtor and the Council.

3 Objectives

Included in the Council's Corporate Plan for 2008 – 2012 is the vision to improve prosperity and inclusion for all citizens and the delivery of better and more efficient service.

Health & Well Being of our citizens has been identified as a key theme within this vision. One in five people in west Dunbartonshire is classed as income deprived (19.6% of the population). Our aim will be to increase benefits uptake

through referrals to our own benefits service and Social Work services and Independent Resource Centre; Welfare Rights and Debt Advice Service and independent advice organisations such as the Citizen's Advice.

In accordance with the objective of providing high quality best value services, we will monitor the level of referrals. We will also seek to maximise the Council's collection rates.

We consider that people have a responsibility to pay all amounts properly due to us. To achieve this we will:

- Encourage people to tell us as soon as they have problems paying;
- Encourage people to pay regularly and thereby prevent a culture of non-payment;
- Prioritise preventative measures such as advice on benefits and charge reductions;
- Focus on the ability to pay whichever type of debt is due;
- Offer a range of easily accessible payment methods;
- Acknowledge and respect people's obligations to their dependants;
- Offer a sensitive and flexible approach to debt collection whilst ensuring that monies due are effectively and efficiently recovered for the benefit of the whole community;
- Aim to achieve a fair balance between the claims of competing creditors, in recognition of the need for people to maintain an acceptable standard of living;
- Ensure that a co-ordinated approach to debt is taken by all Council services;
- Provide advice on available charge reductions e.g. housing and council tax benefit, where appropriate;
- Offer specialist, independent debt advice by referral to our Social Work services and Independent Resource Centre; Welfare Rights and Debt Advice Service and independent advice organisations such as the Citizen's Advice Bureau;
- Provide support to advice agencies, recognising the intermediary role such strategic partners play in achieving a common goal;

- Recognise the debt advice provided by advice agencies as best practice;
- Treat all debtors as individuals and consider, wherever possible, individual circumstances when taking action to recover debt; and
- Try to reach satisfactory arrangements for payment of debts at all stages of recovery recognising that where this cannot be achieved, we will take recovery action using the appropriate legal powers.

4 Code of Practice for Collecting Debts

This policy applies to all debt owed to the Council. The policy will recognise the Council's anti-poverty strategy and as such we will seek to ensure that vulnerable persons are not harmed by this policy.

Those who might be potentially vulnerable include:

- the elderly;
- lone parents and their children;
- people with disabilities or a long term illness and their carers;
- unemployed people and others reliant on benefit;
- young people and people on low incomes; and
- black and minority ethnic people

Communication and Contact with the Council

We will:

- Help people with language and sensory communication difficulties by referral to the relevant agencies for assistance;
- Encourage people to make contact at an early stage of the recovery process;
- Use the Corporate Communication Standards and provide, where appropriate, information about where to get independent financial advice; and
- Provide clear information about all aspects of collection and debt recovery including where advice and help is available.

Collection and Recovery Process

We will:

- Provide a wide variety of payment methods;
- Provide and make widely available clear and concise information about the statutory recovery processes available to us and our approach to and provisions for people with financial difficulties.
- Use the full range of statutory powers available to us to obtain payment; and
- Make every effort to adhere to the timetable/ limits we set for recovery procedures.

Repayments

- We will negotiate with debtors for repayments, taking account of personal circumstances, where appropriate;
- We will recognise payment proposals from money advice agencies when negotiating repayments; and
- We will allocate repayments for multiple debts recognising the priority of preventing homelessness and sustaining tenancies.

Debt Collection Agents and Sheriff Officers

It is vital for agents undertaking any collection activity on behalf of the Council to work to a clear strategy for how these externally provided activities are selected, implemented and managed. The Council will at all times retain responsibility for any debt passed to a collection agent or sheriff officer.

West Dunbartonshire Council will tender for these services and conclude a Service Level Agreement with the successful candidate. The Council will also ensure that external agents are made aware of vulnerable situations and treat all debtors with respect.

Enforcement agents/agencies must recognize that they each have a role in ensuring that the vulnerable are protected and that their recovery process is as agreed between the agent/agency and the Council.

Wherever possible, enforcement agents should have arrangements in place for rapidly accessing translation services when these are needed, and provide, on request, information in large print or in Braille for debtors with impaired sight.

Collection agents and sheriff officers appointed by the Council will operate within the Code of Practice set by the Council.

Benefits and Reductions

We will, as far as possible, ensure that debtors maximise their entitlement to benefits, discounts and/or reductions in charges by referral our Social Work Welfare Rights and Debt Advice Service the Department for Work and Pensions and independent advice organisations such as the Citizen's Advice Bureau and Independent Resource Centre.

Publicity about state benefits will be available in Council offices dealing with income collection.

Households will be advised of the general availability of means tested benefits.

Customer Care

In our approach to recovery action, we will take account of the whole financial situation of the debtor and collect debts in a sympathetic and efficient way.

Monitoring Quality

We will ensure that people are encouraged to make comments, complaints and suggested improvements on debt collection matters.

Late or Missed Payments

All payment arrangements will be made on the basis that payment will be made as agreed. Such arrangements will be closely monitored, with appropriate recovery action being taken for late or missed payments.

All Council charges are payable by their stated date. Failure to pay by the due date will result in the swift issue of reminders.

Individuals are responsible for ensuring that payments reach us by the due date. Those who anticipate problems in making payment on time will be actively encouraged to contact us to discuss alternative payment arrangements.

An Effective Policy

For the policy to be effective we will ensure:

- Accurate, clear and prompt billing arrangements;
- A quick response to changes in circumstances;
- Fast and accurate delivery of entitlement to any benefit, discount or charge reduction;
- Offers of referral to advice agencies as early in the the process as appropriate;
- An ability to follow through on publicly known enforcement actions within previously publicised timescales; and
- The sharing of relevant information between services, subject to the Data Protection Act requirements.

The Benefits of a Corporate Debt Policy

We believe that a corporate debt policy will:

- Enable people to come to realistic repayment agreements;
- Make sure that when we do take enforcement action it is likely to be more effective;
- Mean that, by being more approachable, people will be more willing to make contact at an early stage when they first face difficulties;
- Ensure that people are offered appropriate advice as early as possible to attempt to manage their debt better and facilitate better collection rates by the Council; and
- Avoid the accumulation of individual debt before it becomes unmanageable.

5 Implementation and Monitoring

All services involved in the raising of charges and their collection and the relevant advice agencies will be responsible for ensuring that this policy is implemented and monitored. Monitoring of the policy will be conducted on a six monthly basis.

Performance measures will be developed to record and report upon the level of referrals, the award of benefit and the collection levels achieved by the Council.

6 Review of Policy

The Corporate Debt policy will be reviewed in the light of any legislative changes, trends or other factors that impact on the effectiveness of the policy. A full review will be undertaken every three years.