



Chichester District Council

Corporate Debt Recovery Policy

(New – October 2019)

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A CORPORATE DEBT FRAMEWORK

1. When is this Policy effective from?

This Policy is effective from 1 March 2020 and supersedes the Corporate Debt Recovery Policy and Write-Offs Policy which was last updated and approved by Cabinet in September 2017.

This Policy will be reviewed in February 2023 or at an earlier time dependent upon the outcome of the Government consultations on:

- Breathing space – proposal to give someone in problem debt the right to legal protections from creditor action while they receive debt advice and enter an appropriate debt solution. The plan would enable someone in problem debt to enter a statutory agreement to repay their debts to a manageable timetable. Individuals entering a plan would receive legal protections from creditor action for the duration of their plan.
- And review of Council Tax debt recovery - have committed to making Council Tax (CT) collection system fairer and more efficient. New guidance due to improve how councils recover unpaid CT and end aggressive enforcement tactics. Government sought input from charities, debt advice organisations and councils on the new guidance

2. Why do we have this policy?

Reason

The Council raises a significant proportion of its total income through local taxes and charges, and has a duty to ensure that all monies owed to it (debts) are collected efficiently and effectively for the benefit of its residents.

The vision of corporate debt management for the Council is:

“To maximise the amount of collectible debt through the efficient collection of income, within a framework of customer care and client sensitivity.”

Purpose

This policy details the Council’s corporate approach to debt recovery including how it prioritises debt outstanding. The Council will make every effort to ensure that best practice is applied to all debt collection and recovery activities within appropriate legal powers. This policy applies to both individuals and companies subject to the application of relevant legislation.

This policy embraces the objective:

To balance the effective collection of monies due to the Council to maximise income collection, whilst ensuring that a fair, proportionate and consistent

approach is taken to the recovery of sums that are not paid when due, with the aim to avoid increased indebtedness.

3. Policy Aims

Underpinning this policy is the general principle that the citizens and businesses have a responsibility to pay for the services they receive from the Council and the charges for which they are liable.

The preference is for services to gain upfront payment for any new services that require payment, and not rely on invoices.

Wherever possible and when appropriate, services will not be provided until payment has been made and cleared funds received.

The key aims of this policy are to:

- To improve the levels of income collected by the Council and reduce levels of arrears (debts);
- To provide a number of mechanisms for payments to be made to, and to make the process of payment as easy as possible for customers;
- To ensure that all amounts due are collected according to the agreed payment criteria, and encourage payment by the most efficient method;
- To ensure that all relevant information provided to debtors is clear in setting out what action may be taken if a debt remains unpaid;
- Apply best practice and transparency to debt collection, using cost effective, fair collection and recovery practices;
- Ensure a professional and timely approach to recovery action for all the different types of debt owed to the Council;
- Treat individuals consistently and fairly and in accordance with the Council's Equalities Strategy;
- Promote a coordinated approach towards managing multiple debts owed to the Council,
- Ensure that people in genuine financial difficulty are supported to claim any benefits they are entitled to and where appropriate are signposted towards free debt advice;
- Acknowledge that some people struggle to pay their bills and to adopt a more preventative approach to indebtedness where appropriate,

- Ensure that vulnerable people are supported to manage their financial affairs effectively, including the payment of debt.

4. Who must comply with the policy?

This policy applies to all staff responsible for the administration and collection of debt for the Council.

5. What is the policy?

The Council's policy is, first and foremost, that all debt due to the Council is payable and all necessary steps should be taken to ensure that it is recovered. 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 balance against its duty to collect. Conversely, this policy outlines a robust approach to those who can pay but won't pay.

The Council's debt collection and recovery policy is fair to everyone regardless of their age, race, gender, disability, sexuality or religious belief. This policy is in addition to existing legislation and is designed to enhance the procedures already in place to collect debt.

The need for people in debt to communicate their financial status is important. Where a person makes contact with the Council, their circumstances will be considered with a view to agreeing a reasonable payment arrangement (taking into consideration any statutory constraints or timescales), minimising recovery action and helping to alleviate hardship.

Payment arrangements for any sundry debtor accounts raised in the Council's Financial Management system (Civica) may be agreed by the service area, subject to liaison/consultation with the Taxation Team (especially if debt recovery action has commenced). The Income and Payments Team must also be informed to reflect the payment arrangement in the Council's financial system.

Where people fail to make contact or maintain agreed arrangements, recovery action will continue.

No policy can ever completely address the difficulties faced by some people and families on low incomes. The approach to recovery will therefore be sensitive to individual circumstances and take into account multiple debts owed within statutory limitations.

The Council will:

- provide individual debtors in financial hardship with advice on relevant benefits, discounts, relief and exemptions to prevent a worsening situation and / or signpost appropriate debt agencies;
- consider longer-term payment arrangements for debtors suffering genuine hardship, although this may not be available for some debts with statutory timescales, such as Penalty Charge Notices (parking tickets);

- take into account all debts owed to the Council (excluding parking tickets) , with the debtor's consent, to ensure that the Council does not increase hardship where different council services are seeking to recover debts; and
- maintain and review this policy, as necessary, so that it remains in line with any anti-poverty strategies and actions approved by the Council.

6. How is this policy implemented?

This policy supports existing legislation and is designed to enhance the procedures that are in place to assist with the collection of debt. Although there are variations in the procedures relating to different debts, they must reflect the Council's requirement for a corporate approach to recovering debt as set out in this policy.

6.1 Fair debt collection

There are various methods available to recover outstanding debts that are mentioned in this policy. The Council may appoint Enforcement Agents to recover local taxation arrears and other debts where authorised to do so. Only certificated enforcement agents can take control of goods for local taxation and road traffic debts. The fees charged to the debtor are governed by legislation. The ability to pay is a paramount concern when considering debt recovery.

This Council supports fair debt collection and recovery practices and makes the following commitments to support this.

It will:

- ensure there is a process in place to ensure that bills and statutory documents are accurate, timely and clear;
- provide appropriate and easy payment methods (e.g. direct debit, on line and automated payment line for the majority of income streams);
- encourage people and businesses that fall into arrears to contact us and agree to payment arrangements appropriate to their circumstances and the Council's requirements;
- help to reduce the effect of debt on people on low incomes by informing people of the general availability of income-related benefits such as Job Seekers' Allowance, Tax Credits, Universal Credit, Pension Credit and by ensuring that maximum benefit take-up occurs;
- advise people and businesses where they can get independent advice with financial problems (e.g. Citizens Advice Bureau). A list of some other organisations where money management and budgeting advice can be obtained is attached to this Policy in **Appendix 1**;

- identify deliberate non-payers or those who delay payment and take timely and effective enforcement action;
- focus on collecting the charge set rather than how the charge is arrived at. Some charges and debts have a process for appealing the charge. The debt and/or charge should be paid in the first instance pending the outcome of any dispute/appeal. The Council gives a commitment that payment will not prejudice the outcome of any appeal process and that it will refund the payment should the appeal be successful (excluding Road Traffic Debts); and
- consider reducing or remitting debt in cases of extreme hardship where legislation and discretionary powers allow for this.

6.2 Vulnerable People

The Council recognises that some members of the community may be considered to be more vulnerable and, therefore, may require additional support in dealing with their financial affairs.

Vulnerability does not mean that a person will not be required to pay amounts they are legally obliged to pay. However, where a person is recognised to be vulnerable consideration should be given to;

- Allowing longer to pay,
- Postponing enforcement action,
- Assisting the person to claim benefits, discounts or other entitlements,
- Supporting people to access sources of independent advice,
- Providing information in an accessible format,
- A temporary payment arrangement with lower repayment than would normally be agreed,
- Where appropriate engagement with third parties in order to assist the debtor with their financial affairs,
- Returning debt to Chichester District Council if the debt has been pursued by the Enforcement Agent.

The cause of vulnerability may be temporary or may be permanent in nature and the degree of vulnerability will vary widely. In some circumstances it will be appropriate to liaise with or seek further advice from other agencies that may be involved in working with the customer. The definition of vulnerability can be found in the Appendix 2 to this document.

Should a debt proceed to an Enforcement Agent, an agreed vulnerability policy is in place.

6.3 Prioritisation of Recovery

All debt is recoverable. Priority of recovery will be based upon various factors such as:

- Age of debt
- Amount
- Debtor Type
- Number
- Creditor Type

Referrals to enforcement or collection agents to collect debts or take control of goods will only be undertaken where there is a reasonable likelihood of recovering the debt.

6.4 Charging Orders

A charge against the property will be considered if the liable party is the owner. Upon obtaining a charge, consideration will be given to ordering a sale of the property to repay the debt owed. This will be based on several factors such as the amount owed, the lack of a suitable offer of repayment, the composition of the household and the liable party's capacity.

6.5 Use of Enforcement & Collection Agents

The Council reserves the right to use Enforcement Agents and collection agents as it sees fit, where it is allowed by law to so do.

Enforcement Agents are governed by Regulations made under the Tribunals, Courts & Enforcement Act 2007 such as The Taking Control of Goods Regulations 2013, The Taking Control of Goods (Fees) Regulations 2014 and The Certification of Enforcement Agents Regulations 2014.

Enforcement Agents will be expected to be members of the Civil Enforcement Association (CIVEA) and comply with the CIVEA Code of Conduct. If not members of CIVEA, they will be expected to demonstrate similar codes of practice and complaints handling.

The Council may issue specific instructions as to its own requirements on the conduct of enforcement and collection agents acting on its behalf either directly or through partnership arrangements. Contracts with Enforcement Agents are actively monitored to ensure they are operating in line with National Standards.

6.6 Insolvency

Bankruptcy and liquidation proceedings will be considered where the debt or combined debts are above the statutory minimum threshold and it is considered cost effective to do so.

The Council may appoint or approve an insolvency practitioner to act on its behalf in any insolvency proceedings either on its own or with others.

6.6 Writing off Debt

The Council will make every effort to collect monies due, in order to maximise the resources it has available to provide good quality services to its community. However, it also recognised that there will be occasions when debts become irrecoverable and will need to be considered for write off in accordance with the Council's Constitution Financial Regulations Section 4 Income 1(v). In such circumstances prompt and regular write off of such debts is good practice, as this allows for a correct calculation of bad debt provision each year, and avoids wasting resources chasing debt where there is no realistic prospect of recovery.

The Council will seek to minimise the cost of write offs to the local taxpayer by taking all necessary action to recover what is due. All debts will be subject to full collection, recovery and legal proceedings as outlined in this policy.

Write off is only appropriate where:

- The demand or invoice has been raised correctly and is due and owing;
- That every effort has been made to recover the debt, in the form of reminders, final notices and any other relevant recovery action undertaken; and
- There is a justified reason why the debt should not be pursued further.

The definition of irrecoverable is "a debt that will never be paid to the person owed, and is considered to be uncollectable for whatever reason, and should therefore be written off."

Justified Reasons

Whilst it is not possible to list every scenario which could make a debt suitable for write off; however, the following factors could be appropriate depending on the circumstances.

The responsibility for recommending whether a debt is suitable for write off to the Director of Corporate Services (S.151 Officer) is set out in Section 12 (Roles & Responsibilities). Services must take into account any advice or guidance from Legal Services or the service area's Divisional Manager.

The most common circumstances where a debt may be written off have been categorised as follows:

Table 1

Reason	Description
Insolvency	Debtor is the subject of bankruptcy, individual voluntary arrangement, liquidation, company voluntary arrangement, an administration order, or administrative receivership proceedings or has ceased to trade or is subject to a Debt Relief Order.
Unenforceable	Debtor is overseas or the debt is over 6 years old.
Abscond	Tracing agents/search engines or other methods have been unable to find the debtor.
Uneconomical to collect	Balance too small for further actions, or the costs associated with collecting the outstanding debt is prohibitive.
Uncollectible	Custodial sentences/remitted debts/system rounding/where all due process has been undertaken to recover the debt (as detailed in procedures), but despite using all available / appropriate recovery options, the debt is still deemed uncollectible.
Deceased	Insufficient funds in an estate to settle the debt.
Vulnerable	Where a debtor has no realistic means of paying the debt due to vulnerability, and all due process as detailed in the procedures, including third party support, has been followed.

The Council reserves the right to reinstate, within statutory deadlines, any debt where it becomes apparent the circumstances for write off are no longer applicable, i.e. a debtor is traced/funds become available.

In cases where the debtor is jointly and severally liable for the debt with another party, recovery action will continue against all liable individuals and only if this action fails, will monies be recommended for write off.

6.7 Credit Balances

Where an account has been overpaid or falls into credit for some other reason, with the agreement of the customer, the overpayment or credit will be refunded or may be transferred to reduce another debt owed by the customer. All refunds will be repaid by electronic transfer to a UK bank account, and only by cheque in exceptional circumstances.

(i) Customer Accounts (Sundry Income)

The refunds are processed by the Income and Payments Team and all necessary checks will be made for any other outstanding debts to the council. Whilst the customer's permission may be required to transfer to another outstanding debt, every reasonable effort must be made not to refund the credit whilst other debt is outstanding.

(ii) Council Tax and Business Rates

These are refunded by the Taxation Team. Credits which cannot be traced or refunded which are over 6 years old are transferred to the General Fund Reserve.

(iii) Accommodation Services – License Fees

These are refunded by the Housing Service, or any credits which cannot be traced or refunded to the licensee which are over 6 years old are transferred to the General Fund Reserve.

Once all checks have been carried out; not knowing the whereabouts of the creditor (or not having sufficient information to determine how or when a credit is to be refunded) will be an acceptable reason for the writing off the credit. A record should be kept should the creditor subsequently be traced and the credit will be repaid, if economic to do so.

Checks need to be undertaken to see whether any refund is genuine and that money laundering is not being attempted.

6.8 Specific Debt Recovery

(i) Council Tax

Council Tax recovery procedures are laid down by statute in The Council Tax (Administration and Enforcement) Regulations 1992 and subsequent amendments. Reminder Notices and Final Warning notices will be issued as required by law.

Continued non-payment after the issue of Reminder and Final Notices may result in a Liability Order being awarded by a Magistrates' Court.

Enforcement action can include collection by an Enforcement Agent, attachment to benefits or earnings or ultimately insolvency proceedings, committal to prison or a charge against the property, which can lead to an order of sale.

(ii) Non-Domestic Rate (Business Rates)

Non-Domestic Rates recovery procedures are laid down by the Non-Domestic Rate (Collection and Enforcement) (Local Lists) Regulations 1989 and subsequent regulations and amendments.

Reminder Notices and Final Notices will be issued as required by law.

Continued non-payment after the issue of Reminder and Final Notices may result in a Liability Order being awarded by a Magistrates' Court.

Enforcement action can include collection by an Enforcement Agent, or ultimately insolvency, committal to prison (for an individual) or a charge against the property, which can lead to an order of sale.

(iii) Housing Benefit & Council Tax Support

Housing Benefit overpayments are reclaimed in accordance with Regulations 99 – 107 of The Housing Benefit Regulations 2006 (as amended). In addition, there are debt recovery procedures in place where Housing Benefit has been overpaid but where the debtor is no longer in receipt of payment.

How to repay a benefit overpayment can be found at:

[Overpayments: Chichester District Council](#)

(iv) Landlord and Tenant Act

Individuals or businesses entering into commercial lease arrangements with the Council will be expected to comply with the terms therein including payment of rent and other monies due.

In the event of a breach of the payment terms by the tenant, the Council will undertake such steps, as may be available to it, under relevant legislation to seek recovery of any monies due.

(v) Civil Parking Enforcement

The recovery and enforcement of Road Traffic Debts is carried out by Parking Services and is subject to Civil Enforcement parking legislation by way of the Traffic Management Act 2004. Road Traffic Debts are due immediately at point of issue and should a charge remain unpaid following the correct service of statutory documents, enforcement action will take place.

Parking Services operate a payment plan policy for individuals that prove exceptional circumstances apply, which is consistent with the Council's Corporate Debt Recovery Policy. It is also the case that the three tiered appeals process exists, whereby customers can dispute a charge but also that the charge is discounted by 50% within the first 14 days from the issue of a Notice.

Any recovery action and write off of Road Traffic irrecoverable debt is in line with the Council's Corporate Debt Recovery Policy. A senior member of the service will review each case considered for write off of parking enforcement notices.

(vi) Accommodation Services - Licence fees, Homefinder rents, deposits and rent in advance payments and recharges

Individuals entering into licences or tenancy agreements with the Council will be expected to comply with the terms therein including payment of rent and other monies due.

In the event of a breach of the payment terms by the licensee or tenant, the Council will undertake such steps, as that may be available to it, under relevant legislation to seek recovery of any monies due depending upon the type of legal relationship applicable to the accommodation.

6.9 Miscellaneous Income (Customer Accounts/Sundry Income)

The preference is for services to gain upfront payment for any new services that require payment, and not rely on invoices, if payment before the service is appropriate and lawful.

Customers are encouraged to pay invoices by the Council's preferred payment method of direct debit where they receive ongoing services where monthly, quarterly or annual charges apply or instalments.

All Customer Accounts (excluding Council Tax, Business rates, Business Improvement District Invoices and Road Traffic Debts) are required to be paid in 10 working days, unless a lease or contractual arrangement specifies otherwise. Customer Accounts arrears are collected in accordance with local procedures that are reviewed periodically and reflect best practice wherever practicable (see Appendix 3 for the high level process details).

6.10 Interest and Cost Charges

Debtors are made aware with their invoice of the possibility of interest and charges being levied, should their payment be received late. In the majority of cases, this does not present a problem and payments are received on time.

However, in a minority of cases, where payments are received late, in accordance with legislation, such as the Late Payment of Commercial Debts (Interest) Act 1998, interest and charges can be levied. The interest and charges applied are prescribed by Government and will be applied to all debts with the exception of the following:

- Debts incurred by public service bodies, charities and private individuals;
- Any debt under £1,000, regardless of debtor type; and
- Any payments received less than 14 days late, regardless of the debtor type.
- Or where the agreement contains its own interest remedy for late payment i.e. lease or contract.

However, should a debt in excess of £1,000 from those excluded debtors remain unpaid after a period of time, such as 90 days, interest and charges will be applied.

6.11 Writing Back Debt and Costs

Under the Council's Constitution the Director or Corporate Services (Section 151 Officer) has delegated authority to approve the write off of outstanding accounts, which are considered to be irrecoverable, subject to members being informed of the total amount of such write offs each year.

For recovery action undertaken by the Taxation Team, after any necessary consultation with the Council's Legal Service, the team will submit a quarterly schedule to the Director of Corporate Services to request any debts it considers to be irrecoverable in accordance with this policy (Corporate Debt Recovery Policy) and in accordance with the write off scheme of delegation as set out paragraph 6.12 (iii).

Services will be notified of the debts recommended and approved for write off.

In considering the write off of debts the Taxation Team will be mindful of statutory limitations relative to the type of debt e.g. commercial and residential property lettings etc.

For debts administered and recovery action undertaken by Parking Services or Housing Services, the teams will submit a quarterly schedule to the Director of Corporate Services to request any debts it considers to be irrecoverable in accordance with this policy (Corporate Debt Recovery Policy) and the write off scheme of delegation as set out in paragraph 6.12 (iii).

6.12 Roles and Responsibilities

The Council will publish and promote its Corporate Debt Recovery Policy and the steps taken to recover debt, so our customers understand the consequences of non-payments.

(i) Services Teams

For customer accounts the service teams are responsible for the raising of invoices and the creating of credit notes as necessary, query resolution and keeping the Finance System notes records up to date in relation to the debtor account, especially where payment is agreed within the 35 day terms (standard recovery route).

Delayed payment or requests to pay by instalments must be referred to the Taxation Team (if recovery action has commenced by the team), and the Income and Payments Team (as the payment arrangement must be set up in the Finance System (Civica)).

Accommodation services license fees debtor records are administered and maintained by the Housing Service using a standalone housing rental accounting system.

The Parking Service administers and maintains Road Traffic debtor records on their own standalone system.

(ii) Debt Recovery

Recovery action responsibility for the collect of outstanding debts is set out in Table 2 for the different service areas, and officers must adhere to the Council's Corporate Debt Recovery Policy to ensure consistency, fairness, transparency and effectiveness when dealing with the debtor.

Where the Taxation Team are responsible for agreeing any payment arrangements for Sundry (Miscellaneous) Debts with the customer, these are subject to discussions with the relevant service e.g. Estates Service to avoid any unintended acceptance of a breach of a lease.

Table 2

Debt type	Administration and Recovery Action by
Council Tax	Revenue & Benefits – Taxation Team
Non Domestic Business Rates (NDR)	Revenue & Benefits – Taxation Team
Housing Benefit/Council Tax Reduction Overpayment Recovery	Revenue & Benefits – Taxation Team
Customer Accounts (Sundry (Miscellaneous) Debtors)	Income & Payments Team and Taxation Team
Road Traffic Debts	Parking Services
Housing – Homeless Hostel Rents & associated service charges etc.	Housing – Accommodation Service Team

(iii) Section 151 Officer - Scheme of Delegation for Write Offs

Under the Constitution ultimately decisions on what classes of debt should be written off is matter for the Director of Corporate Services (or their Deputy S.151 Officer in their absence).

To achieve an efficient write off process the following delegation is adopted by the Director of Corporate Services, the precise elements which he authorises as being suitable for write off by other officers are set out in the schedule below:

- a. For debts up to but not exceeding £100 (including aggregated debts for one debtor), the delegated authority rests with the relevant Service Manager (refer to Table 2) and reviewed by the Divisional Manager. The service manager must provide a quarterly summary of the approved write offs and the justified reason to the Revenues Operations Manager for inclusion in the quarterly statistical reports for the Director of Corporate Services and the annual report to members.
- b. For debts greater than £100 but not exceeding £1,000 (including aggregated debts for one debtor), the delegated authority rests with the relevant Divisional Manager. The reporting requirements are as set out in section a. which officers must be adhered to.
- c. For debts greater than £1,000 (including aggregated debts for one debtor), the write off request is submitted to the Director of Corporate Services for approval. (This action can also be undertaken by the Divisional Manager Financial Services as the Deputy Section 151 Officer.)

The above procedures will also apply to the treatment of credit balances where the customer is untraceable in accordance with paragraph 6.7.

(iv) Reporting & Compliance

This policy will be made available to all staff dealing with income collection and recovery via the staff intranet.

Each unit/section will be responsible for ensuring that this policy is adhered to and implemented effectively. Divisional Managers and budget managers have a responsibility to monitor and report debt arrears on a monthly basis using the Aged Debt Report and completing the Monthly Aged Debt Return to the Income and Payments Team, and are required to seek advice from the Director of Corporate Services (S.151 Officer) if support is required to manage a debt issue.

Officers from the Taxation Team and Income and Payments Team should report regularly to the Strategic Leadership Team (SLT), so that management are aware of the financial risk of non-collection for the authority for its income streams where debt recovery action is being undertaken. An aged debt report annotated with accounts referred to the Taxation Team to be compiled quarterly, along with the quarterly write off reports for the Director of Corporate Services (Section 151 Officer).

The Council's Internal Audit & Investigations Team will test compliance with this Policy.

Paying an invoice - additional help

<https://www.chichester.gov.uk/payinvoice>

Customers should understand the priority of debts owed to the council and the consequences of not paying them:

Consequences of not paying debts	
Payment owed	Consequence of not paying
Council tax	Can result in an enforcement agent, an attachment to earnings/benefit, or imprisonment
Non-domestic rates	Can result in an enforcement agent, imprisonment or liquidation
BID	Can result in enforcement agent or imprisonment
Rent and temporary accommodation licence fee arrears	Can result in eviction
Commercial Rent Arrears	Can result in forfeiture of the lease
Licence fees	Can result in the licence being revoked
Court orders	Can result in County Court bailiff action
Housing benefit	Can result in attachment of earnings/benefit and County Court recovery action
Invoiced debts	Can result in withdrawal of service and County Court recovery action

Additional help and advice can be obtained from the following Independent Organisations.

You may also want...

Other websites

- [Advice UK - Advice Providers Network](#) (Opens in a new window)
- [Age UK West Sussex](#) (Opens in a new window)
- [Citizens Advice Bureau - Chichester and District](#) (Opens in a new window)
- [National Debtline](#) (Opens in a new window)
- [Step Change debt charity](#) (Opens in a new window)
- [Debt and borrowing - Money Advice Service](#) (Opens in a new window)

Cannot find the information you are looking for?

- **Housing Benefit**

Email: benefits@chichester.gov.uk

Telephone: +44 01243 534509

Recovery and enforcement action

- If you are having financial difficulties it is important that you talk to us. Help and advice is available - see our 'Paying an invoice - additional help' page.
- If you have a query regarding a service please contact the relevant department direct.
- Early communication is really important in helping to solve problems. I
- If payment is still not received the debt will be passed to the Revenues Enforcement team.

Actions which may be taken

The following are examples of action which may be taken if a payment plan is not agreed:

- [Final court action warning letter](#)
- [County court proceedings](#)
- [Collection agency](#)

Final court action warning letter

A final court action warning letter will be issued. This includes a financial information form which invites a proposal for payment of the debt; however, it may not always be appropriate to accept payment by instalments. If you believe you should not have to pay the bill at this stage you **must** tell us. The court will expect you to act reasonably in exchanging information and documents relevant to the proceedings, and you should respond within 7 days. If court proceedings are issued it may affect your credit rating and you will be liable for any additional legal fees incurred. Late payment interest and additional costs will be claimed on all qualifying debts.

County Court proceedings

After a Final Court Action Warning letter has been issued, if the balance remains unpaid a County Court claim may be issued. This will result in a County Court Judgement (CCJ) which will affect your credit rating. Any costs incurred will be payable by you. Once a CCJ has been obtained the court will be instructed to enforce payment. This can be through:

- An order to attend the court for questioning
- An attachment of earnings
- Enforcement Agent action to seize goods
- Bankruptcy proceedings (for debts over £750)
- Third party debt order taken directly out of an account
- A charging order may be obtained on your property which will remain in place until

the property is sold. This may be enforced sooner by requesting an order for sale

Collection agency

Outstanding invoices may be referred to a collection agency who will call at your property to collect the outstanding amount.

Cannot find the information you are looking for?

- **Recovery and enforcement**

Email: cdcrevenues@chichester.gov.uk

Telephone: +44 01243 534512

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Appendix 2

Vulnerable Customers

Whilst the Council accepts that vulnerability is not in its self a cause of debt, but can mean an inability, temporary or otherwise, for people to manage their liabilities due to lack of funds or the ability to manage their financial affairs.

So the Council will be vigilant for the signs and symptoms of “vulnerability” to safeguard our most vulnerable customers and reassure them.

Customers who are considered vulnerable may fall into one or more of the following categories:

- The elderly
- People with a disability
- The seriously ill
- People who appear to have mental health issues including dementia
- The recently bereaved
- Single parent families
- Pregnant women
- Unemployed people or those experiencing uncertainty in the short term employment status or benefit receipt
- Those who have obvious difficulty in understanding, speaking or reading English
- Addiction issues (drugs, alcohol, gambling).
- A person who has recently experienced changes in their lifestyle that means they are temporarily unable to deal with their financial affairs (e.g. fleeing domestic violence, leaving prison, leaving care etc.). Such cases will be reviewed periodically.
- A person who may have been or is currently being exploited (such as modern slavery).

This list is not exhaustive; it has been drawn up to promote fairness and a consistent approach but it is acknowledged that there may be many other causes of vulnerability. Decisions regarding vulnerability should remain unfettered by laid down policy and each case should be considered on its individual merits.

When considering how a debt should be repaid by a 'vulnerable' customer, individual circumstances will be taken into account and greater flexibility will be considered.

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Appendix 3

Customer Accounts - Process for collecting debts

Service	No. of Days Between Action	Letter Reference Type	Action
1. DRStandard: a. Reminder 1 b. Reminder 2 c. Recovery 1 d. Recovery 2	21 days 14 days 7 days 10 days	DR1 DR2 DR3 DR4	<ul style="list-style-type: none"> • DR3 warning of Debt Collection Agency (DCA) • DR4 referred to Debt Collection Agency (DCA)
2. DREstates: a. Reminder 1 b. Reminder 2 c. Recovery 1 d. Letter Before Action	21 days 14 days 7 days 10 days	DR1 DR2 DR3 DR5	* Subject to lease provisions
3. DRLicensing: a. Reminder 1 b. Reminder 2 c. Recovery - Prem 1 d. Recovery – Prem 2	21 days 14 days 7 days 10 days	DR1 DR2 DRLC3 DRLC4	<ul style="list-style-type: none"> • DRLC3 Licencing Suspension Warning Letter • DRLC4 Licence Suspension
4. DRTradeWaste (TW) – billing in arrears a. Reminder 1 b. TW Reminder 2 c. Recovery 1	21 days 14 days 7 days	DR1 DRTW2 DRTW3	<ul style="list-style-type: none"> • DRTW2 Collection suspension warning • DRTW3 Collection suspended
5. DRClosed a. Closed Account b. Collection Agency		DR6 DR4	Taxation Team Taxation Team