

DEBT RECOVERY POLICY

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1. INTRODUCTION

The Director of Finance & Procurement has responsibility, under Section 95 of The Local Government (Scotland Act) 1973, for the proper administration of the financial affairs of the Council. One such area of administration is that relating to Sundry Debtors.

Council Departments raise invoices to charge the general public or businesses for a range of goods or services such as:

- Rent of industrial and commercial land and property.
- Trade and special waste collection.
- Other environmental services.
- Residential Care charges.
- Homecare charges
- Allotment rents.
- Hire of Council premises.
- Nursery Care Charges.

These charges need to be recovered from the debtor. To do this in a uniform way across the Council a policy is required.

This policy applies to sundry debtors only and sets out the general principles in relation to income collection and debt management so that there is a consistent approach. This policy focuses on collecting a charge rather than how that charge has been calculated.

All departments have a duty to ensure that all income due is collected in a timely and efficient manner. The late payment and non-payment of income due to the Council will impact adversely on the Council's cash flow and may place an additional burden on service users through increased charges or reductions in the quality or quantity of the services provided if budgets are restricted.

Our aim is to maximise sundry debt income for the Council so that late and non-payment are kept to an absolute minimum. We also recognise that there will be circumstances where some of our service users may be suffering hardship and need help and advice. The approach to debt recovery will therefore be sensitive to individual circumstances and take account of multiple debts owed.

This policy sets out to ensure that all staff in every department provide customers with a fair, consistent and transparent income collection and debt recovery service. It aims to strike a fair balance between the financial needs of the Council and social needs of the customer.

Performance targets for income collection and debt management will be set and these will be monitored at monthly and quarterly intervals. A summary of the quarterly performance outcomes to target will be submitted to the Director of Finance & Procurement and the relevant Manager responsible for the management of the sundry debt service for review. A review of the targeted outcomes will be undertaken annually, when the policy is reviewed.

The overall responsibility for the effective operational implementation of this policy will lie with the Statutory Reporting & Treasury Business Partner.

2. POLICY AIMS

The key aims of the debt recovery policy are as follows:

- To develop a council wide approach towards sundry debt collection.
- To ensure a professional and timely approach to recovery action is followed consistently across all Council services.
- To ensure that staff in all departments are aware of their responsibilities to carry out effective and timely invoicing and resolution of invoice disputes with customers.
- To ensure a consistent and timely approach to income collection and debt management.
- To improve the levels of income collected and protect the Council's cash flow position.
- To reduce the levels of debt owed to the Council.
- To treat service users consistently and fairly and ensure that an individual's rights are protected.
- To develop good relationships with stakeholders (customers, debt collectors, welfare benefit advisors, social workers etc) to support the fair and effective collection of debts.

3. LINKS TO THE COUNCILS CORPORATE PRIORITIES

Our Debt Recovery Policy is aligned to the Council's commitments under themes which are: clean, green future, fulfilling our potential, strong, inclusive economy, empowered vibrant communities, good health & wellbeing and working together improving lives.

4. ROLES AND RESPONSIBILITIES

The Director of Finance & Procurement is responsible for the organisation and supervision of all income arrangements, which includes proper accounting, management reporting, and collection arrangements. To achieve this, the Director of Finance & Procurement assigns responsibility to the Service Directors across all departments that give rise to the debt or potential income with appropriate support provided by the Credit Control Team.

A full breakdown of roles and responsibilities can be found in Appendix 1.

5. SUNDRY CHARGES

Sundry charges are fees and charges made to the general public and businesses for a wide range of goods or services provided by the Council where payment is not required in advance. The chargeable fees for services are approved by Council in line with national guidelines and legislation where applicable. To minimise the costs involved in the raising of invoices, the originating department should seek permission from the debtor to issue invoices by email and, where agreed, enter these details against the customer record in Business World.

Sundry debtor accounts will be raised in one of two ways:

- Periodic accounts which are raised for re-occurring charges; or
- Sundry accounts for one-off charges

Invoices will not be raised unless:

- The fee or charge has been set by the Council.
- The charge could not have been obtained in advance.
- The charge is collectable.
- The charging department has evidence to support the raising of a charge (i.e., order, written contract, statutory obligation etc)
- There is a realistic prospect that debt can be recovered.

Officers **must not raise an invoice for a debt less than £20.00 unless there is a contractual obligation** to do so for example peppercorn rent, as it is uneconomical. Officers are encouraged to collect income of less than £20.00 in other ways, such as payment in advance by telephone or internet. In some service areas, where the individual amounts charged are very small, consideration should be given to alternative methods of funding, although it is recognised that raising an invoice may be the only solution.

All invoices will be dispatched within five working days of the charge being raised.

Where it is established that an invoice has been raised erroneously, the invoice will be cancelled immediately by the raising of a credit note, ensuring there is an audit trail. This includes any invoice raised that has been raised with an incorrect name, company name or address. These must be credited in full and the account amended then a new invoice raised. This is to ensure compliance for audit purposes and also to ensure correct and legal invoices for full debt recovery where legal action may be necessary.

Payment Dates

For the purposes of efficient administration the payment date for invoices paid by direct debit will be 1st or 15th of the month. All other invoices will be 30 days after the invoice date.

5.2 Payment Terms

The Council's standard terms require payment to be made within 30 days upon receipt of the invoice. However, where charge is made in advance for an ongoing service, e.g. residential care fees, then the originating department will enter instalment facilities on the invoice. These terms are set by the Charging Policy.

For 30-day terms cases, payment by instalments will be considered by the Credit Control Team if requested in cases where the settlement of a debt in full will cause financial hardship. In such circumstances, payment by direct debit is preferred.

5.3 Advanced Payment

Where practical and legally allowable, advance payment can be requested for all services, or by the debtor signing a direct debit agreement form before the provision of service. This minimises the financial risk to the Council.

6. ISSUING OF INVOICES

It is important that customers are made aware at the point of service that they will be invoiced, that invoices are issued in a timely manner (ideally within 30 days from service delivery) and that they are both clear and concise. We are also committed to issuing invoices that are right first time.

We will ensure that all invoices are:

- Accurate (based on the information we hold)
- Clear, jargon free and written in plain English
- Available in Braille, large print or other language if required
- Promptly issued

We will ensure that all bills and invoices contain the following details:

- A clear and full description of what the charge is for and with no abbreviations.
- The amount due (and where appropriate any instalment amounts and dates). The payment date is the date the payment should reach the Council.
- How the payment can be made
- The contact point for query of the invoice or to discuss payment
- What will happen if the customer does not pay

Problems and discrepancies raised by customers will be resolved as quickly as possible to prevent unnecessary delays in payment (see 15. Disputed Invoices).

Attachments - Departments wishing to send attachments should ensure that they are typed and look professional.

Evidence - All invoices raised must be properly supported by documentary evidence that supports the debt. Where required by the debtor, a Purchase Order Number must be included on the invoice. All appropriate contracts must be signed by the legal entity responsible for making payment, e.g. Power of Attorney (POA) where person receiving service lacks capacity. Evidence of legal responsibility e.g. POA Certificate, must be held on file as this will be used for resolving any disputes and recovering the debt.

6.1 Issuing of Credit Notes

In conjunction with Financial Regulations there must be a clear distinction between raising a credit note and writing off a debt.

A credit note to cancel or reduce a debt must only be issued to:

- a) Correct a factual inaccuracy;
- b) Correct an administrative error;
- c) Process a discount granted by the Director of the department where the account was originated;
- d) Cancel an invoice that was raised without reasonable prospect of recovery;
- e) Cancel an invoice where dispute cannot be settled within 28 days.

All credit notes require approval by authorised staff in the relevant department before they can be processed and an explanation for the credit note must be stated in every case.

6.2 Issuing of Refunds

Where an account goes into credit as a result of an overpayment or a credit note, the Credit Control Team will look to refund the credit directly to the customer within 28 days. Where a Customer has another invoice or another debt to the Council outstanding such as Council Tax or Business Rates, the credit will be offset against this first.

7. PAYMENTS

It is recognised that the easier it is for customers to pay, the more likely that payment will be made and the less likely that debts will accrue.

Direct Debit

We will promote Direct Debit as the preferred method of payment as this has benefits for both the Council and its customers. We will also ensure that other cost effective payment methods are promoted in order that collection costs are kept to a minimum.

The accepted forms of payment to Scottish Borders Council are:

- Direct Debit
- Direct bank transfer
- Debit Card (Visa & Mastercard)
- Credit Card (Visa & Mastercard)
- Cash (Sterling) via PayPoint, Post Office
- Cheque (Sterling)
- Standing Order

Contact Centres do not take cash for payment of sundry debt invoices. However, all invoices and reminders have a printed barcode which can be taken to any Post Office or PayPoint outlet in the UK for payment.

All payments will be processed in accordance with the Council's Income Management Policy.

8. APPROACH TO DEBT MANAGEMENT

The effective management of debts owed to the Council is crucial in terms of maximising income in order to avoid an increase in costs or decrease in the quality and quantity of services provided. The majority of our customers make their payments on time but there will still be a significant number who do not.

When pursuing debts we will abide by the following principles:

- Our action will be **proportionate**
- Our approach will be **consistent**
- Our actions will be **transparent**

Our overall approach to the collection of all debts owed to the Council will be:

- That our customers have a responsibility to pay their invoices on time;
- To treat all customers fairly and consider all the available information before taking enforcement action;
- To take prompt, appropriate and effective action to recover debts;

- To take a holistic approach to the collection of multiple debts owed to the Council;
- To provide appropriate advice and support to increase the debtors ability to pay;

- To make sure that enforcement action is appropriate to the circumstances;
- To use legal proceedings in appropriate circumstances;
- To recharge the costs of taking legal proceedings to the debtor where the Council is legally entitled to do so;
- To consider charging interest where payment is beyond the period allowed for payment if the Council is legally entitled to do so;
- To offset any debt due from payments due to be made by SBC, where agreed;
- To protect the interest of Council Taxpayers within the Scottish Borders by taking action to secure legal rights to recover the debt.

We recognise that taking legal proceedings is a serious step and will always consider alternative actions. Whilst every effort will be made to support our customers to manage their Council debts, legal proceedings will be pursued where customers fail to pay or make contact or do not keep to a repayment agreement.

When pursuing legal action we will deal with debtors even-handedly and inform them in writing at each stage of the legal process. Even where legal proceedings are being pursued our Legal staff or representatives will continue to maintain contact with the debtor in an effort to obtain acceptable payments which will enable the suspension of legal proceedings.

9. RECOVERY PROCESS

Where an invoice remains unpaid after 30 days, reminder letters will be sent to the debtor (5 days after due date, and 14 days later). If after two reminder letters there is no payment, contact or repayment agreement in place then the recovery processes will commence.

We will commence proceedings to obtain a decree so that sheriff officers can take formal action to recover the outstanding debt, where the following circumstances apply:

- Failure to pay the full amount due, there is a good chance that legal action will be successful and it is economic to pursue a debt.
- Failure to agree to a suitable repayment plan if the full amount cannot be paid in full.
- Failure to comply with a repayment agreement.

Once a decree has been obtained, if the debtor does not comply with the terms of the judgement we will take further proportionate enforcement action by obtaining one of the following:

- Use of Sheriff Officers
- Arrestment of Earnings or Bank Accounts
- Commence bankruptcy/insolvency proceedings

In appropriate circumstances we will reserve the right to pursue alternative courses of action. This may include the use of external collection agents where appropriate and cost effective.

We will also reserve the right to terminate any non-statutory services where payments are not made in accordance with the payment terms, bearing in mind the vulnerability of the debtor. Where a service must continue due to a debtor's vulnerability, the issuing department will be responsible for meeting the cost and no invoices will be issued. _

10. CUSTOMER CONTACT

The need for customers to get in touch is central to our debt recovery process and we will encourage customers to make early contact to discuss any difficulties before debts become onerous and unmanageable.

Where a customer does not pay or contact us following a reminder or warning letter Credit Control staff or representatives will make proactive attempts to make and maintain contact with the customer by:

- Telephone
- Text
- Email
- Office interview

We expect our largest debtors to be contacted regularly to establish good relationships and timely payment.

During all personal contact with customers our staff will:

- Identify the reason for non-payment;
- Undertake a financial assessment with the customer's agreement where possible;
- Provide help and advice;
- Make the customer aware of the consequences of non-payment.

10.1 Letters to Debtors

We will promptly advise customers of any overdue payments and will send reminder letters/emails in order that the customer is given an opportunity to rectify any missed payments.

We will ensure that all our communication:

- Is clear, jargon free and in plain English;
- Clearly shows the amount outstanding and by when it should be paid;
- State the action which will follow if payment is not made;
- Contain details on who to contact to discuss the outstanding debt;
- Detail how payments can be made.

11. REPAYMENT ARRANGEMENTS

In some cases it may be necessary for the Credit Control Team to make instalment arrangements. These will not be set up where payment can reasonably be made in full; however, it is recognised that some customers will not be in a position to clear the full amount due. All repayment arrangements will be based on the principle of preventing further debt.

Where a customer is having difficulty in paying the full amount, Credit Control Officers will consider the circumstances and, if appropriate, agree a repayment arrangement based on the following criteria:

A repayment arrangement will be agreed with debtors in the following circumstances:

- Where the debtor is on low income and likely to suffer financial hardship;
- Where the debtor is suffering hardship, is in poor health or is vulnerable.

In appropriate cases e.g. particularly low repayment proposal, arrangements entered into will be subject to a financial appraisal to assess their disposable income using the proforma in Appendix 3 and debtors will not be placed in a position of being required to pay at a rate that they clearly cannot afford. In addition, neither will the debtor be allowed a rate of repayment that the debt is not repaid within a reasonable period.

A failure of the customer to maintain the arrangement will result in recovery action being escalated and the possible withdrawal of the service.

11.1 Arrangement Guidelines

Only Credit Control and Legal teams can make repayment arrangements, however there may be liaison with departments for further information. This is because these teams have an overall picture of the debtor who may owe the Council money for other debts.

Value Terms (from date of invoice)

- Debts below £500 - No more than 3 months
- Debts below £1,500 - No more than 6 months
- Debts below £2,500 - No more than 9 months
- Debts £2,500 and above - No more than 12 months

In order for an individual debtor to receive more than 12 months credit, a detailed income and expenditure sheet, as shown in Appendix 3, should be completed for their case to be considered. For a business, their latest accounts should be submitted along with their latest balance sheet for consideration by the Income & Reconciliation Manager.

11.2 Arrangement Principles

- Repayment arrangements will normally be accepted by Direct Debit. In exceptional circumstances other payment methods can be used where a debtor can show that they cannot pay by this method but can give other assurance such as their employers name and address or evidence of an asset that the debt can be recovered against;
- The responsibility for making sure that the agreed payment reaches the account by the due date remains with the customer;
- Recovery action will be suspended providing the customer maintains payments in accordance with the agreement;
- Where there is a significant change to the debtors circumstances the repayment arrangement will be re-evaluated;
- Prompt recovery action will be taken in respect of missed payments;
- Low value arrangements should be reviewed on a regular basis to see if payments can be increased.

Should a customer default on a repayment arrangement, the Credit Control Team will escalate the recovery action to the next stage which could be passing to the Council's Legal Department for Court Action or alternatively to a debt collection company.

11.3 Arrangement Exceptions

Where a customer or their representative wishes to make an arrangement to pay (at any recovery stage including legal) and the balance owed exceeds £50,000, before the arrangement is agreed it must be passed to the Director of Finance & Procurement with all backing papers for a formal decision to be made.

12. ENFORCEMENT ACTION

The Council will take all necessary actions to recover any debts owed. In order to achieve this objective we will engage the Council's Legal Department, Sheriff Officers and debt collection agents in the process of recovering Sundry Debts.

We will ensure that all private enforcement agencies employed are members of a recognised trade association which has a code of guidance by which its members are bound.

The external agencies we use will also be bound by a service specification or code of practice issued by the Council to ensure that debtors are treated fairly and in accordance with the principles contained in this policy. We will closely monitor that external agencies are complying with the Council's Code of Practice.

Where Sheriff Officer action is taken the debtor will incur statutory and other fees which must be paid to the Sheriff Officer.

13. TRACING DEBTORS

In the event of a debtor leaving an address without providing a forward address, we will use various methods for tracing people who owe debts to the Council including:

- Use of data held within other areas of the Council
- Use of Experian and Companies House
- Use of Social Media
- Use of tracing agents
- Personal visits and interviews

14. WRITE OFFS

We normally consider debts owed to the Council as being recoverable. We will seek to minimise the cost of write-offs for each Council Department by ensuring that all debts are subject to full recovery and legal processes as outlined by this policy.

When all means of recovery have been exhausted there will be circumstances when it will be appropriate to consider writing debts off as irrecoverable.

It is recognised that where a debt is irrecoverable, prompt and regular write off of such debts is good accounting practice and we will make an adequate bad debt provision for all types of income.

An annual review of the write off provision will be recommended by the Director of Finance & Procurement and form part of the Council's published annual accounts.

14.1 Reasons for write off

The circumstances where a debt will be regarded as being irrecoverable and appropriate for write off are:

- Debtor is deceased and there are insufficient funds in the estate to pay the debt;
- Debtor is untraceable;
- Debt is uneconomical to pursue;
- Debtor is insolvent (bankrupt, in liquidation or in administrative receivership);
- Company has ceased to trade and has insufficient assets;
- No prospect of payment (i.e. due to debtors inability to pay, mental condition, having no assets etc);
- All recovery processes have been exhausted;
- Legal action has been unsuccessful;
- Out of time debt due to statutory limitations;
- Not in the Council's or Public interest to pursue further.

Prior to any individual debt being proposed for write off, the Income & Reconciliation Manager will review the debt to confirm that no further recovery action is possible or practical. This will then be reviewed by The Statutory Reporting & Treasury Business Partner before authorisation is given for writing the debt off

The powers for writing off debts are contained within the Council's Financial Regulations and Scheme of Delegation. These powers are delegated to the Director of Finance & Procurement who, for practical reasons, may delegate authority to Officers within the Finance Department to approve individual write off amounts up to a pre-determined level. The Director of Finance & Procurement has delegated authority to write off amounts up to £100k. Any potential write off greater than £100k must be approved by Council. The current list of Authorised Officers and limits is contained in Appendix 2.

A write off report giving summary details of the number of debts and amounts-written off by category will be submitted yearly by the Director of Finance & Procurement to the Executive in accordance with the Financial Regulations.

14.2 Evidence

The following supporting documentation should be retained and available for auditing by staff in all departments who are responsible for raising invoices:

- Evidence to support write off
- Recovery history
- Details of any tracing or other enquiries carried out
- Case review checklist (signed by the senior officer reviewing the debt)

Where debts have been written off, if at a later date there is a prospect of payment, the debt will be reinstated to enable recovery action to re-commence.

14.3 Insolvency

Where the Council is aware or notified of a customer falling into receivership or liquidation, etc. then the Credit Control Team should be made aware immediately. Subsequently the Credit Control Officer should determine whether a receiver or liquidator has been appointed. The Credit Control Team will submit the proof of debt as soon as possible to make a claim against any assets.

Under no circumstances should a service or facility be provided to a company that is in receivership or any individual who is in the process of being declared bankrupt. Suitable checks on Companies who have voluntary agreements that allow them to continue trading should be made.

Similar rules should apply to individuals who are attempting to clear debts under voluntary arrangements. Advice should be sought from Legal and credit checks made.

The Council is likely to be an unsecured creditor, behind the preferential creditors such as commercial banks and Her Majesties Revenue and Customs Office, in any insolvency proceedings. Therefore, such debts should be written off as soon as a proof of debt has been lodged.

15. DISPUTED INVOICES

Where a customer disputes an invoice, the Credit Control Team shall refer the matter to the Department that originated the request for an invoice. It is the responsibility of that Department to resolve the issue of the dispute and to ensure that they have all the required information to substantiate any sundry debtor account which is issued by their Department. The contact name and telephone number appears on invoices.

At all times, the Department that originated the request for an invoice must keep the Credit Control Team informed of the status of the dispute and whether the collection of debt should be suspended or re-commenced by the Credit Control Team. This will ensure that the collection cycle is managed appropriately.

To help customer service and efficient debt collection, all disputes should be resolved within 28 days in accordance with best practice guidance. Departments should ensure that they work towards these targets and issue suppression requests to the Credit Control Team. The Credit Control Team will monitor suppressions and liaise with departments as necessary to determine when recovery action can re-commence.

Request to suppress an invoice must be made by email to accrev@scotborders.gov.uk. Confirmation will then be emailed to the department with the date that debt recovery will re-commence if no further correspondence is received from the department. If a further suppression is required this will require a further email and confirmation by the Income & Reconciliation Manager.

Where an incorrect charge to a customer has been made by the originating Department, or the address provided for the invoice was incorrect, the originating Department must update the invoicing system within 3 days of discovering the error and notify the customer as to how the matter will be resolved.

Where the dispute relates to a charge of sub-standard work, goods not received or service not provided, then these may take longer to resolve.

However, they should never be left unresolved and it is the responsibility of departmental managers providing the service, to review on a regular basis any disputes under their responsibility and bring to a conclusion as soon as possible.

In any event, after 28 days, it is expected that the account is either paid or recovery action recommended. Only in exceptional circumstances will the 28 day period be extended at the discretion of the Credit Control Team. Requests must be made by email and authorised by the Income & Reconciliation Manager. If the dispute remains unresolved after 28 days and no extension agreed, a credit note will be raised and this is charged back to the originating departmental cost centre. A correct invoice should then be raised if appropriate. **It is not acceptable for any department to raise an invoice and ask for it not to be pursued.**

A dispute is not resolved unless it meets one of the following conditions:

- Customer is correct and gets full credit;
- Customer is partly correct, gets partial credit and accepts revised charge;
- Customer is incorrect and accepts the charge;
- Customer is not correct but does not accept the situation (the issuing department must be prepared for the commencement of legal proceedings).

15.1 Budget Adjustments

Where an invoice is cancelled after being on hold for 28 days or more without an agreed extension, the invoice amount will be written back to the originating departmental budget.

16. MONITORING AND REPORTING

To ensure that this policy is meeting its aim and is effective we will:

- Monitor actual performance to targets set;
- Consult with customers and Service Directors;
- Evaluate complaints received;
- Undertake quality checks on work processes and work processed by our staff.
- Feedback to services where invoices are noted to have not been raised correctly

16.1 Monitoring and Reporting

The Director of Finance & Procurement will monitor service performance utilising the information provided as detailed in the table below.

No.	Reporting Requirements	Frequency
1	Level of debt outstanding	Quarterly
2	Level of write off against provision	Quarterly
3	Number and value of disputed accounts and those where action is on hold.	Quarterly
4	Percentage of debt by number and value collected in 30,60,90,90+ days	Annually
5.	Collection rates / Performance of Debt Collection Agency and Legal Team	Annually
6.	No. Customers paying by Direct Debit	Annually

17. PERFORMANCE TARGETS

Performance Indicator	Performance 2020/21	Performance 2021/22	Performance 2021/22
Income received as a percentage of the opening Sundry Debtors balance	87.46%	85.97%	86.59%
Percentage of Customers paying by direct debit	26.6%	29.6%	30.5%
Cost of collecting Sundry Debtors per £1 issued	£0.003	£0.003	£0.003
Proportion of outstanding debt that is more than 90 Days Old	25.98%	21.01%	23.56%

18. CUSTOMER CARE

In order to ensure that we are delivering a high level of customer care in our income collection service we will:

- Monitor that staff are meeting the corporate customer service standards;
- Ensure our staff are well trained, experienced and knowledgeable so that they can deal with a wide range of enquiries from customers;
- Provide staff with a dedicated telephone number and email address which ensures ease of contact for the customer if they need help or advice;
- Ensure our staff have regard to the sensitivity of the information they are dealing with and ensure confidentiality and privacy during discussions;
- Ensure our staff conduct themselves, when dealing with debt, in a way that does not deliberately alarm, harass, distress or subject people to public ridicule;
- Provide a range of information leaflets and booklets which give information to customers about the services offered ensuring these are available at local Contact Centres and other Council offices;
- Provide website information about council services and ways to pay;
- Seek the views of our service users so that we can improve services;
- Advise customers how to complain if they are unhappy with the service they have received.

19. **DIVERSITY**

We will ensure that our income collection service is accessible to everyone and that no service user receives less favourable treatment. In this regard we will:

- Monitor that the corporate equality and diversity service standards are being met;
- Ensure all staff receive cultural awareness, disability discrimination and mental health awareness training;
- Communicate to customers using plain English and help customers whose first language is not English;
- Ensure that our staff have access to a person who can communicate with customers in sign language;
- Ensure that our staff have guidance notes on how to access the translating and interpreting services available;
- Ensure that our policies, letters, information leaflets/booklets and other documents can be made available in different languages and formats including Braille and audiotape where appropriate;
- Where appropriate provide interpreters and 'signers' for those whose first language may not be English and/or for those who are hard of hearing or deaf.

20. **VULNERABLE PERSONS**

A sensitive approach towards debt recovery will be taken in respect of debtors who are deemed to be vulnerable. Where there is a recognised vulnerability our staff will be given sufficient flexibility to defer any recovery actions and take alternative action which is more appropriate to the person's needs.

We consider the following to be vulnerable persons:

- A person of fragile health due to old age or disability;
- A person who clearly has difficulty in dealing with their own affairs;
- A person who is registered disabled or demonstrates a physical or mental impairment;
- Persons suffering long term or serious illness;
- Persons who have recently suffered a bereavement, recent marriage break-up or ending of a long-term partnership;
- Persons suffering from severe financial hardship;
- Persons who are pregnant or who are in hospital;
- People who have a communication difficulty, such as a person who is deaf, illiterate or has difficulty in understanding or speaking English.

21. FINANCIAL INCLUSION

Whilst this policy is mainly about income collection and debt recovery, we recognise that personal indebtedness is increasing and acknowledge that recovery action can often cause distress, particularly where the person has other debts or is on low income. We will take the following measures to limit the impact that recovery action may have on our customers and communities:

- Provide a wide range of payment methods at no cost to the customer;
- Take early recovery action before debts become unmanageable;
- Ensure that any action taken is balanced, just and fair;
- Undertake home visits in appropriate circumstances;
- Defer recovery action in appropriate circumstances;
- Give special consideration to a person's level of understanding;
- Develop and maintain close working relationships with advice agencies including setting up formal referral arrangements for customers who require specialist advice;
- Signpost customers where appropriate to independent welfare benefits advice.

22. CONFIDENTIALITY

We will ensure that all information provided to us about a customer's personal and/or financial circumstances will be dealt with in the strictest confidence. All data held in respect of customers will be recorded and processed in accordance with the Data Protection Act 2018.

Wherever possible, we will ensure that all interviews of a confidential nature are conducted in private.

We will facilitate private interviews when requested by our customers.

23. REVIEWING THIS POLICY

We are committed to continuous improvement so it is inevitable that there will be changes to the way in which the Debt Recovery Service is delivered. This policy will be reviewed annually by the Statutory Reporting & Treasury Business Partner and agreed by the Director of Finance & Procurement. It will be updated to take into account changes in legislation, service improvements or changes, and changes to the Charging Policy or Financial Regulations.

Any proposed changes to this policy will be fully discussed with appropriate stakeholders such as:

- Relevant Finance Teams
- Relevant departments
- Relevant external bodies

APPENDIX 1

Stakeholder	Key Role & Responsibilities
Customer	To make payment for goods or services received within the terms and conditions of the service provision.
Executive	To be accountable for the effective management of invoicing and collection by Officers of the Council.
Service Directors	<ul style="list-style-type: none"> • To be accountable for the effective management of income by Officers of the Council. • Ensure Financial Regulations and the Scheme of Delegation in relation to the collection of income is adhered to; • Ensure the parts of Corporate Policy & Strategy that apply to their directorate are correctly followed; • Proactively support the achievement of corporate targets for debt collection; • Ensure that Budget Managers are fully aware of their income management responsibilities; • Ensure that relevant invoicing and income management systems and procedures are put in place; • Ensure that employees involved in the income collection process are appropriately trained and the quality of training is kept under continuous review.
Director of Finance & Procurement	<ul style="list-style-type: none"> • Advising and providing guidance on setting the policy and ensuring that the policy is implemented; • Responsible for managing all debt owed to the Council; • Ensure that effective systems and procedures for financial administration are in place so that debt collection is completed timeously and in accordance with legal and regulatory requirements.
Statutory Reporting & Treasury Business Partner	Ensure payment channels are easily and widely accessible; Ensure that the right messages on the Council's approach to debt recovery are conveyed to all stakeholders simply, clearly and effectively.

Income & Reconciliation Manager	<ul style="list-style-type: none"> • Promote awareness on debt collection and consistency council- wide; • To promote and communicate debt recovery and to involve all officers in the process; • To coordinate training activities to ensure that a core competency on Debt Collection is maintained within the directorate; • To scrutinise and provide assurance to directorate management on the processes and procedures; • Escalate the recovery processes in a timely and controlled manner consistent with established procedures; • To monitor KPIs against targets; • Invoice production and debt recovery, the provision of reports, reconciliations; • Liaison with service users in departments with regards to business processes, disputed invoices and recovering arrears; • Provide joint training along with Systems Support for users
Credit Controllers	Pursue all outstanding sundry debt due to the Council in line with this Policy
Systems Support	<ul style="list-style-type: none"> • To support and develop the Accounts Receivable System; • Develop reports; • Schedule Daily Cash Interface; • Monitor Cash Reconciliation; • Provide joint training along with the Credit Control Team for users
Anyone that processes invoices or income	<p>Raise the charge in a timely fashion either prior to or within 30 days following the provision of the goods or service;</p> <p>Ensure invoice is accurate and timely and that evidence to support the charge is retained for audit purposes;</p> <p>Ensure that the payment is processed efficiently immediately following receipt of the income.</p>

WRITE-OFF AUTHORISATION LEVELS

Limit	Authoriser
Up to £20	Income & Reconciliation Manager
£20.01 up to £5,000	Statutory Reporting & Treasury Business Partner
£5,000.01 up to £50,000	Chief Officer - Financial & Procurement Services; or Director of Finance & Procurement
£50,000.01 up to £100,000	Director of Finance & Procurement
Over £100,000	Executive Committee

STATEMENT OF INCOME AND EXPENDITURE

Name-	Address-
Reference No.-	

HOUSEHOLD INCOME	£	EXPENDITURE	£
Earnings - Householder		Rent (net of HB)	
Earnings - Partner			
State Pension		Food	
State Pension (partner)		Telephone/Mobile	
Pension Credit		Gas	
Working Tax Credit		Electricity	
Child Tax Credit		Coal	
Income Support		Other Fuel	
Jobseekers Allowance (IB)		Clothing	
Jobseekers Allowance (Cont)		Car (insure/road tax, etc)	
Incapacity Benefit		Petrol/Diesel	
DLA (Mob)		TV/Other Rental/Sky	
DLA(Care)		Loans/HP	
Child Benefit		Cleaning Materials	
Carers Allowance		Laundry	
Other benefits (list)		Cigarettes	
		Catalogues	
		School Meals	
Private Pension		Insurances	
Child Support		Other Outgoings:	
Maintenance		Fines	
Other income (list)		Pet Costs	
		Household insurances	

1. Total Income		2. Total Expenditure	
	Surplus Income	Weekly/Monthly	
	Current CT	Weekly/Monthly	
	Arrears NSA	Weekly/Monthly	

ASSET DETAILS (houses, cars, boats, etc)			
Asset Type	Current Value	Loan still due	Net amount
	£	£	£
	£	£	£
	£	£	£



I agree the above information is a true and accurate record of my present circumstances.

SignedDate.....