

EXETER CITY COUNCIL
CORPORATE DEBT POLICY

1. OVERVIEW

1.1 Exeter City Council provides a wide range of services to its community and raises a significant amount of income from a number of sources. Collecting income is a major part of the Council's business and the following are the main sources of income from debts raised (based on 2007/08 figures) are:

- Council tax - £43.4 million
- Housing Rents - £14.4 million
- Non Domestic rates - £56.1 million
- Sundry debts (including for example: recovery of overpaid benefit, trade waste, home call alarms and service charges and rents) - £15 million

1.2 The Council takes the payment of this money from our residents and businesses seriously and this document sets out a corporate approach to the recovery of debt. In summary, our policy aims to maximise the Council's income cash-flow but recognises that flexibility is necessary in cases of genuine hardship in the City.

2. GENERAL PRINCIPLES

2.1 The following principles will apply in the management of the City Council's debts:

- That the citizens and businesses of Exeter have a responsibility to pay for the services they receive and the charges and rents they are liable for.
- The majority of debts owed to the Council are high-priority debts and as such we expect that debtors will give priority to the repayment of these debts over most other debts that they may owe.
- Methods of payment giving the best customer convenience at the lowest collection cost will be actively promoted by the Council.
- There will be a coordinated approach towards sharing debtor information and managing multiple debts owed to the Council where legally and practically possible.
- Sundry debt will be avoided wherever possible in favour of cash payments upfront.
- Best endeavours will be used to help people who are suffering genuine hardship and to consider the impact of debt on them, including minimising the escalation of debts owed to the Council.

2.2 It is recognised and accepted that the Voluntary Sector, including the Citizens Advice Bureau and others, have a key role to play in both the prevention of debt and the debt recovery process.

3. ALTERNATIVE PAYMENT OPTIONS

- 3.1 The Council recognises the importance of offering customers a range of payment methods and will continue to invest in improving these. This helps the Council increase its ability to maximise collection of income and ensures that customers are not excluded from meeting their liabilities due to restrictions on the type of payment methods accepted.
- 3.2 The Council will continue to review the payment methods available to bill payers in order to ensure that it continues to balance value for money with customer expectations, convenience and accessibility. Customer confidence in the payment arrangements available is critical and the Council will endeavour to ensure the accuracy and reliability of its income systems.

4. MINIMISE SUNDRY DEBTS

- 4.1 Sundry debts can be difficult and costly to collect and it is important to obtain payments in advance of service provision wherever possible. Guidance for service officers is available to support this approach.

5. ACCESS and CUSTOMER CARE

- 5.1 The City Council is committed to ensuring that no recipient of services provided by the Council receives less favourable treatment on any grounds such as disability, ethnic origin, age, gender, sexual orientation, language, religion or belief, political or other opinion, national or social origin, association with a national minority, locality, property, birth or other status.
- 5.2 We will provide clear and prompt information about bills and liabilities. The information we provide will show:
- What the bill or liability is for
 - The amount due
 - How to make payment
 - A contact point for all enquiries.
- 5.3 The Council will consider the merits of each individual case when deciding how to pursue an unpaid debt. Following the issuing of an invoice, it may be necessary to issue further documentation (reminders or summonses) following non-payment, or because a previously agreed instalment arrangement has not been adhered to. In these instances, the Council will ensure that all the information outlined above is included in such documents.
- 5.4 Each debt due will be notified to the debtor promptly and accurate records of amounts due and collected will be maintained. The notification, collection and recovery of a debt will be completed in accordance with the appropriate legislation or internally approved guidelines, as appropriate.
- 5.5 Wherever possible, the Council will provide information to meet customers' specific communication needs. In doing so, the Council will seek to ensure that a customer's individual preferences are documented and stored on systems in order that future notices can be issued in the preferred format, for example large print to corporate standard. A policy and guidance document is already in place which sets out the

Council's commitment on translation and interpretation and provides information and advice to staff on the organisations who can be contacted to provide such services.

- 5.6 The Council will endeavour to ensure that documents issued in respect of debt recovery matters meet plain English standards.
- 5.7 Documents issued will explain the legal options open to the Council in relation to the stage of recovery the document relates to. Such documentation will also clearly explain what the customer needs to do to avoid further recovery action being taken.
- 5.8 The Council recognises the importance of issuing debt recovery documents in a timely manner and will ensure that such documentation is issued in accordance with statutory or internally approved deadlines.

6. FINANCIAL INCLUSION - MAXIMISING CUSTOMERS' ABILITY TO MEET THEIR LIABILITIES

- 6.1 The Council will publicise widely the availability of any appropriate benefits, exemptions, discounts or reliefs which may either reduce the level of liability for the debt or increase the income of the customer, thus increasing their ability to meet their liability. Such benefits, exemptions, reliefs and discounts include:
 - Housing and Council Tax Benefits - The Council will undertake proactive take up campaigns annually in partnership with others and aim to reach every household. New claims will be processed promptly and to a standard at or exceeding national targets for new claims and changes in circumstances.
 - Council Tax Discounts, Reliefs and Exemptions
 - Business Rates Reliefs and Exemptions
 - Working Tax Credit
 - Pension Credit
 - Income Support and Job Seekers Allowance
 - Disability Benefits
 - Discretionary Housing Payments.
- 6.2 Where appropriate, special payment arrangements will be considered with regard to the recovery of debt. However, whilst it is important to consider the customer's request in the event of a reported hardship case, it is also important to ensure a firm but fair approach that provides a reasonable incentive for the customer to clear their debt.

7. PEOPLE WHO MAY REQUIRE ADDITIONAL ASSISTANCE

- 7.1 The Council recognises that some customers may have difficulty understanding or dealing with their financial responsibilities. The Council will therefore take into account during its debt recovery process the needs of those customers who may be identified as vulnerable.

- 7.2 When applying the debt management policy to the more vulnerable customers, officers will consider the wider implications of any recovery actions on the individual and the Council, such as preventing homelessness. The Council is mindful of its responsibilities and duties under the Disability Discrimination Act and Human Rights Act.

8. DIFFICULT TO RECOVER AND IRRECOVERABLE DEBTS

- 8.1 The Council will pursue all monies owed to it. This includes externalising debt collection where appropriate. The Council recognises that there will be certain circumstances where it will not be able to collect all the debts owed and that some accounts below a certain value will be uneconomic to collect. The Council's Financial Regulations set out the procedure and financial thresholds for processing such debts.

9. REPORTING AND MONITORING

- 9.1 It is the responsibility of the originating service to take ownership of the debts in their service areas and to ensure effective arrangements for monitoring the payment and recovery are in place. Regular reports on collection rates, arrears levels and approved debt write-offs will be reported to Scrutiny Committee - Resources.