

Corporate Debt Management and Recovery Policy



CONTENTS

	<i>Page</i>
Introduction	3
Policy Aims	4
How these link to the Council's Corporate Priorities	
Debts Covered by this Policy	5
The Legal and Policy Framework for Recovery	6
The Policy	7-11
Limitations on Debt Recovery	12
Procedures and Training	13
Monitoring	
Appendix 1 – Types and levels of Debt	14
Appendix 2 – Available Methods of Payment	15
Appendix 3 – Contact Details for Debtors	16
Appendix 4 – Referral of Debtors to and from the Citizens Advice Bureau	17
Appendix 5 – Advice on Priority Debts from the Citizens Advice Bureau	18
Appendix 6 – Help and support available to Debtors	19

INTRODUCTION

Effective debt management is crucial to the success of any organisation. Debt is a topical and high profile area in the current economic climate of high personal borrowing and rising interest rates. Nationally, levels of personal debt have increased 50% since 1997¹ and individual bankruptcy rates are at a 10-year high.²

The Best Value Review of the Revenues and Benefits service highlighted the absence of a corporate approach to collecting debt. Subsequently, an effectiveness review of the Council's debt management across all debt streams was carried out by internal audit. Their report recommended that a corporate debt management and recovery policy be formulated. Key areas of concern were the wide variations in the ways that debts are pursued and managed across the authority and the failure to make best use of management information and data sharing to manage debts.

This policy has been designed to address these concerns. Its implementation aims to deliver measurable service improvement and adherence to recognised good practice.

The policy was fully reviewed and updated in January 2008 and in June 2009 to reflect the changes that have occurred since it was first introduced such as the transfer of Council owned properties to Chorley Community Housing; the introduction of Chorley and South Ribble shared financial services which brought together a number of financial functions from both Councils including Exchequer Services; and the rapid deterioration of the UK and world economy and subsequent UK recession which took hold in 2008. Each debt stream (Council Tax, NNDR, Sundry Debts and Housing Benefit overpayments) has contributed in ensuring that the policy is relevant and fit for purpose.

First version July 2004

Second version January 2008

Third version June 2009

¹ The Office for National Statistics.

² The Department of Trade and Industry.

POLICY AIMS

The key aims of this policy are as follows:

- To provide an overarching framework and resource that each debt stream should utilise when revising individual service procedures and practices.
- To ensure a professional, consistent and timely approach to recovery action across all of the Council's functions.
- To cost effectively pursue all debts owed to the Council, ensuring that those with the means to pay do pay.
- To consider fully the debtors circumstances and ability to pay and so distinguish between the debtor who won't pay and the debtor who genuinely can't pay.
- To promote a coordinated approach towards sharing debtor information and managing multiple debts owed to the Council.
- To improve the levels of income collected by the Authority.
- To ensure that debts are managed in accordance with legislative provisions and best practice.
- To treat individuals consistently and fairly regardless of age, sex, gender, disability and sexual orientation and to ensure that individual's rights under Data Protection and Human Rights legislation are protected.

HOW THESE LINK TO THE COUNCIL'S CORPORATE STRATEGY

People - Improving Equality of Opportunity and Life Chances

- In identifying genuine hardship, advice on benefits can be given to prevent the situation worsening and may enable a long-term arrangement at an affordable amount.
- With the debtor's consent, all their debts to the Council can be taken into consideration when making an arrangement, reducing the possible level of distress where different Council services are each seeking to recover debts.

Performance – Ensure Chorley Council is a consistently top performing organisation

- Prompt recovery action against debtors with the means to pay will improve debt collection rates and benefit the council's financial resources.
- Opportunities will be created to strengthen our partnership with the Citizens Advice Bureau and to create consistent and improved working practices across the Council.

DEBTS COVERED BY THIS POLICY

Following the formation of Chorley Community Housing in April 2007, the main unit involved in debt recovery is Business Transformation and Improvement (previously Finance). Also, 2008 saw the introduction of Chorley and South Ribble shared financial services which brought together a number of financial functions from both Councils including Exchequer Services (Sundry Debts and Mortgages).

The debts involved are primarily:

- Council Tax
- National Non Domestic Rates (NNDR)
- Overpaid Housing Benefit
- Sundry Debts
- Mortgages

The policy will apply to all units of the Council and focus on collecting the charge set rather than how the charge is arrived at. Ability to pay is a paramount concern when considering debt recovery. For Council Tax statutory benefits are provided on application, which are designed to offset the effects of low income on ability to pay.

Charging policy, statutory or discretionary will never completely remove the problems of people and families on low incomes. The approach to recovery must therefore be sensitive to individual circumstances and take into account multiple debts owed.

See Appendix 1 for details of the volumes of activity involved in each major debt stream.

THE LEGAL AND POLICY FRAMEWORK FOR RECOVERY

Chorley Borough Council has a legal duty to ensure cost effective billing, collection and recovery of all sums due to the Council. All collection activities should provide value for money to the Council in terms of collection costs and performance.

This policy is in addition to existing legislation and will enhance the procedures already in place to collect debt.

This debt recovery policy is concerned primarily with the recovery of debts prior to legal action being taken but the principles should still be applied wherever appropriate even if litigation has commenced.

Local Taxation

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

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

Chorley Borough Council appoints bailiffs to recover local taxation arrears in accordance with our own guidelines and code of practice. Only certificated bailiffs can levy distress for local taxation and fees charged to the debtor are governed by legislation.

Housing Benefits

Housing Benefit overpayments are reclaimed in accordance with Regulations 98-105 of The Housing Benefit (General) Regulations 1987 (as amended). In addition there are 'Debt Recovery Procedures' in place where Housing Benefit has been overpaid and is no longer in payment. The primary legislation for these regulations are obtained from the Social Security Contributions and Benefits Act 1992 and Social Security Administration Act 1992.

Chorley Borough Council appoints debt collectors to recover Housing Benefit overpayments in accordance with our own guidelines and/or a Service Level Agreement.

Sundry Debts

Sundry Debt arrears are not subject to direct legislation, however there are well-established internal procedures and financial regulations in place to control this.

On certain debts, interest may be charged and costs incurred. The debtor will be made aware of any additional costs in advance so that they have the opportunity to avoid this wherever possible.

Chorley Borough Council appoints debt collectors to recover Sundry Debt arrears in accordance with our own guidelines and/or a Service Level Agreement.

THE POLICY

Local Taxation

- A reminder is sent 15 working days after an instalment becomes due. The taxpayer then has 14 days to bring their account up to date (7 days for NNDR).
- If the instalment is brought up to date but falls behind again, a second reminder is sent 15 working days after an instalment becomes due. The taxpayer again has 14 days to bring their account up to date (7 days for NNDR).
- If the instalment is brought up to date but falls behind again, a final notice is sent 15 working days after an instalment becomes due. No further notices are issued.
- If payment is not made in the required time following a reminder or final notice, the whole amount for the year becomes due immediately and a summons is issued to court. At court the Council will apply for a Liability Order against the debtor and significant costs are incurred.
- Once a Liability Order has been granted any of the following enforcement actions can commence:
 - Bailiff action.
 - Attachment of earnings.
 - Deductions from benefit.
 - Committal proceedings.
 - Charging order.
 - Bankruptcy.

Housing Benefits

- 7 days after an invoice is raised the debtor is contacted to ensure they received and understood the overpayment invoice. Also, the debtor is invited to make a payment arrangement and is informed of their rights of appeal.
- 14 days after an invoice is raised a reminder is sent with a statement of circumstances form. Again, the debtor is invited to make a payment arrangement based on their financial circumstances.
- 28 days after an invoice is raised a final notice is sent which informs the debtor of the legal enforcement actions which can be taken if they fail to contact or make a payment arrangement.
- 35 days after an invoice is raised enforcement action begins which can be:
 - Debt collectors.
 - Deductions from DWP benefits.
 - Blameless tenants deductions (where debtor is a landlord).
 - County court legal action.
- Full procedures are documented in the Overpayments Procedures Manual which is kept with the Benefits Quality Control Team.

Sundry Debts

- A reminder is issued 10 days after an invoice is printed.
- A final notice is issued 10 days after a reminder.
- If an arrangement is made and an instalment is missed, an instalment default notice is issued 10 days after the payment due date.
- A debt is referred to a debt collection agency 10 days after a final notice or 21 days after an instalment default notice.
- Every effort is made to make a personal telephone call before a debt is forwarded to a debt collection agency.

General

- This policy fully adheres to Chorley Borough Council's financial regulations and standing orders.
- Full names, contact address and a phone number will be established prior to service provision or invoicing/billing. See Procedures and Training on page 13.
- All Council bills and invoices will be raised as soon as practicable on a daily basis and will include clear, relevant and full information as to:
 - What the bill is for
 - When payment is due
 - How to pay
 - How to contact us if there is a query in relation to the bill or in relation to making payment
- All letters and reminders will:
 - Be written in plain English
 - Explain fully what has been agreed and the consequences of non-payment
 - Include appropriate contact details
- Debtors will be encouraged to make prompt contact if they disagree with a bill or have difficulty in making payment on time. Contact can be made by:
 - Telephone
 - Letter
 - Email
 - Fax
 - In person at the One Stop Shop
- Problems and bill discrepancies raised will be resolved as quickly as possible to prevent unnecessary delays in payment and incorrect debits.

- All debtors seeking help due to financial difficulties will:
 - Be given the opportunity to have their ability to pay assessed by the relevant collection unit
 - Be invited to provide details of their means by listing their income and outgoings. (Evidence to confirm the accuracy of the means statement will be requested if necessary)
 - Be encouraged to use the money advice services available from the Citizens Advice Bureau
 - Be asked if they have other debts owing to the Council that they also wish to be considered
 - Be given access to the Council's interpreter service if required
- If legal proceedings have already commenced, consideration will be given to whether the debt can firstly be attached to earnings or benefits, the priority of the debts owed and the level of repayments currently being made.
- If a specific recovery action has already commenced e.g. attachment of earnings or bailiff action, the action taken will usually continue. However, any arrears not included in the action will be considered in line with existing arrangements and this policy.
- If it is found that the debtor has the ability to pay, but refuses to pay, then recovery action will continue promptly within the existing arrangements for the type of debt.
- If it is found that the debtor is suffering severe hardship or has difficulty managing their own affairs, the following will be considered:
 - Can we reduce the debt? Are they entitled to take up relevant benefits, discounts, exemptions and reductions to minimise the potential for debt accrual?
 - Does the debtor owe money to other Council collection units? If so the debtor will be advised that, with their consent, all their Council debts may be taken into consideration when deciding on an arrangement. The advantage to the debtor in making a common arrangement is that they may save time and costs. However, it is for the debtor to decide if this is an option they want to pursue
 - Can we hold recovery action and offer to refer cases to the Citizens Advice Bureau (CAB)? This will suspend additional costs to allow reasonable time for the CAB to assist the debtor and if necessary prepare a financial statement for them
- If a debtor takes up the offer to deal with all Council debts collectively, the various collection units and One Stop Shop (if utilised) will communicate the debtors details confidentially between themselves and will endeavour to take a holistic approach to collection without prejudice to their own collection unit. Where Local Taxation debts are involved, the Local Taxation team will co-ordinate the Council's work and act as a single point of contact for the debtor. In other circumstances, Finance Unit staff will take the lead role.
- Where there is no continuous liability a special long-term arrangement may be made according to the ability to pay and the existing recovery provisions such as an attachment of earnings.

- Where liability is continuous e.g. Council Tax, any arrangement made will normally require payments over and above the ongoing monthly liability. Future instalments must be paid when due as a condition of the arrangement.

For example, someone owing Council Tax arrears of £600 in March has a new bill issued requiring monthly instalments of say £75.00 from April. They must pay the £75.00 each month, but could be allowed to spread the arrears of £600.00 plus any other Council debts over an agreed period. The £75.00 per month would be taken into account when assessing their ability to pay the £600 arrears. If the period agreed was 10 months to match the instalment period for the new bill, the monthly Council Tax payment would be £135.00 (£75 plus £60).

Sundry Debts prioritise the collection of arrears before current liability cases. For example market traders with rent arrears.

Housing Benefit overpayments recover oldest debts first unless an overpayment is as a result of fraudulent activity in which case that will take priority. If an administration penalty is imposed, the overpayment is collected first followed by the penalty.

Council Tax Benefit overpayments are collected by Council Tax as soon as practicable following the issue of an adjustment notice. If the overpayment is as a result of fraudulent activity an administration penalty is imposed. The penalty is collected by direct invoicing once the overpaid Council Tax Benefit has been repaid.

If only the current year's bill is owed, arrangements should require payment within the financial year (at the latest) whenever possible.

Longer term arrangements for older arrears will be strictly monitored and reviewed. If there is no improvement by the review date and if the amount payable cannot be reduced (by awarding Council Tax Benefit etc), the Council will reserve the right to continue with legal action, and in the case of Local Taxation, obtain a liability order from the magistrates' court. This is to protect the Council's interests and prevent the debt from becoming statute barred and irrecoverable. (See Limitations on Debt Recovery on page 12). Nevertheless regular contact with the debtor is encouraged and part payments will be accepted to reduce the overall debt. Furthermore it is not in the debtors best interest to have a long term arrangement when liability is continuous, since the level of debt will increase as time goes by and the debtors situation deteriorate rather than improve.

- If a debtor is receiving Income Support, Job Seekers Allowance or Employment and Support Allowance, this will usually limit the ability to pay to no more than the amount that can be paid directly to creditors by the Department of Work and Pensions (DWP) - currently £3.25 per week for Council Tax and £9.75 or £12.80 per week for housing benefit overpayments. Where appropriate, a separate agreement will be made for additional debts and liability orders depending on the individual's circumstances.
- Debtors given time to pay will be advised to contact the Council immediately should they experience a change of circumstances affecting their ability to pay. This is to discuss the options available to prevent recovery action and additional costs.

- Regular liaison meetings will take place with the local Citizens Advice Bureau and performance reviews with the Council appointed bailiffs and debt collectors.
- In some instances additional recovery work and commission fees paid to debt collector firms are met by the Council. This position will be reviewed particularly for Sundry Debts where there may be some scope to recharge debtors some or all of these costs following suitable warnings on reminder notices.
- Similarly, credit and debit card fees for payments received by this method are currently absorbed by the Council, as are the costs of cheque processing. Credit card fees and debit card fees are typically 2% and 35 pence respectively per transaction. Cheque payments are currently 23 pence per transaction, plus secure transportation costs. Whilst the Council does not wish to deter payment, it will periodically consider the viability of standing these charges.
- If a debtor fails to cooperate by:
 - Refusing to provide details of their means, and/or
 - Not consenting to multiple debts being dealt with together, and/or
 - Failing to pay a special arrangement on time without contact, then recovery action will be taken promptly in the normal way.
- Bankruptcy and Charging Order proceedings may be taken for serious 'won't pay' cases. It is important to note that any debtors that cooperate with the Council or genuinely 'can't pay', will not be considered for this type of action.

LIMITATIONS ON DEBT RECOVERY

- All external bailiffs appointed will be given guidelines and a code of practice requiring them to refer to the council, before proceeding to take action, in the following circumstances:
 - The debtor appears to be vulnerable
 - The debtor is severely ill or disabled
 - The debtor has young children and severe deprivation is evident
 - The debtor disputes liability or claims to have applied for a rebate which has not yet been granted
 - The debtor is currently consulting his or her Councillor or MP, but this will be time limited.
- All debt collectors appointed will be subject to guidelines and/or a Service Level Agreement.
- All invoices received from bailiffs and debt collectors should be reconciled by each debt stream to ensure that any remittances have been received and the amount being charged is correct before authorising the invoice for payment.
- The minimum amount for issuing bills or invoices will usually be £2.00, however each service has discretion to issue smaller sums based on individual circumstances and the nature of the debt. Anything less than £2.00 should be considered for write off where it isn't cost effective to collect.
- Referrals to bailiffs for levying distress will not be made for less than £50. This covers Local Taxation debts where the power to remove goods is granted by the Magistrates Court.
- Referrals to collection agencies or bailiffs for debts where there is no power to levy distress, will not be made for less than £25, however each service has discretion to refer a smaller sum based on individual circumstances and the nature of the debt.
- For simple contracts there is a 6-year limit and for contracts under seal a 12-year limit to either collect the debt or take recovery action. Failure to adhere to these limits as set out in the Limitations Act 1980 may result in the debts becoming statute barred and irrecoverable, resulting in a loss of revenue.
- There will be occasions when it is not possible to collect debts due to a variety of reasons including bad debt, gone away, insolvency or simply because it is not deemed cost effective to pursue the debt any further. For example the amount due is less than the costs of recovery. In these cases each debt stream will consider writing off appropriate debts in accordance with their own write off procedures. In some cases small balances can be written off immediately with larger balances submitted to the Chief Financial Officer on a quarterly basis, June, September, December and March.

PROCEDURES AND TRAINING

Although there are variations in the procedures relating to different debt streams, they must reflect the Council's requirement for the corporate approach to recovering debt set out in this policy.

This policy will be made available to all staff dealing with income collection and recovery. This will be reinforced with refresher training and management supervision of all staff involved in collecting debt.

In addition, when raising invoices a full name, contact address and contact name for a person representing a company or organisation receiving a service and their phone number must be provided prior to service provision or invoicing/billing. This should minimise disputes and greatly assist Exchequer to obtain payment.

As a further safeguard, any documents relating to the direct service provided or information used to raise the invoice must be retained. It is normal procedure to keep these supporting documents for 6 years. Of course, the invoice should be paid in full prior to discarding such documents.

MONITORING

Each unit/section will be responsible for ensuring that this policy is adhered to and effective. Management information will be required for each debt stream. This will include monthly collection performance statistics submitted to the Chief Financial Officer in a format suitable to the specific debt stream. For example age debt reports for Sundry Debts and totals for Council Tax, NNDR and Housing Benefit overpayments. Internal Audit will test compliance with this policy in future reviews.

This policy will be reviewed on an annual basis.

TYPES AND LEVELS OF DEBT *

Type of Debt	No of Accounts	Total Debt Raised	Legislation	Recovery Methods
Council Tax	45,500 Properties	£47 Million	L.G.F.A. 1992 Council Tax Admin & Enforcement Regulations 1992	Liability Order; Penalties for Failure to Supply Information; Attachment of Earnings/Benefit; Distraint; Charging Order; Bankruptcy; Committal to Prison.
NNDR	2,800 Properties	£22 Million	L.G.F.A. 1988 (Implemented 1990 and replaced General Rate Act)	Liability Order; Distraint; Bankruptcy; Liquidation; Winding Up Order; Committal to Prison (Not Limited Companies).
Sundry Debts	3100 Sundry Debtors	£3.7 Million	No direct legislation, however internal procedures and financial regulations apply	Reminder, Final Notice, Personal Phone Call, Referral to Debt Collectors.
Housing Benefit overpayments	766 Cases	£820,000	Social Security Contributions and Benefits Act 1992 Social Security Admin Act 1992 Housing Benefit Regulations (General) 1987	Invoice, Reminder, Final Notice, Benefit Deductions, Debt Collectors, Legal Action taken in the County Court.
Mortgages	7 Mortgages	£15,500	See Sundry Debts	Reminder, Final Notice and ultimately Legal Action leading to Repossession.
Total	52,000 Accounts	£73.5 Million		

* Appropriate figures as at June 2009

AVAILABLE METHODS OF PAYMENT

Electronic payments should be promoted wherever possible. Transaction costs for payment card and cheque payments far exceed electronic methods and do not represent good value for money to the Council.

- **Direct Debit**

Direct Debit is the most efficient way for the Council to collect income and is promoted as the preferred method of payment for Council Tax, NNDR and ongoing Sundry Debt periodic invoices such as market rents and ground rents.

- **24 Hours a Day**

Payment can be made 24 hours a day, 7 days a week by Debit/Credit Card by:

- Telephone 01257 511000
- Online www.chorley.gov.uk
- Text payments (Sundry Debts only) www.allpayments.net/textpay/login.asp

- **Direct Banking**

Arrangements can be made to set up a standing order or an internet banking payment by sending payments directly to National Westminster Bank plc, 46 Market St, Chorley, quoting:

Chorley Borough Council (Income Account)
Account number on the bill
Sort Code 01 01 94
Account number 01036335

- **Debit/Credit Card**

Debit/Credit Card payments will be encouraged to avoid late payment, where appropriate. The cards we accept are Switch, Visa, Mastercard, Maestro, Delta, Solo, JCB, and Visa Purchasing. Payment by Electron can be made at the counter but not by telephone.

- **Payment Card/Bar Code Invoices**

At a choice of over 200 locations using a swipe card provided by the Council. Post Offices or Paypoint outlets accept the cards and bar code invoices.

- **Post**

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

Chorley Borough Council
Union Street, Chorley, PR7 1AL

HOW TO CONTACT CHORLEY BOROUGH COUNCIL

<p>One Stop Shop Civic Offices Union Street Chorley PR7 1AL</p>	<p>Open Monday-Friday 08.45 – 17.00</p> <p>All Council debts can be discussed with trained staff. Citizens Advice Bureau referrals arranged. Interpreter service available.</p>
<p>Local Taxation Office Civic Offices Union Street Chorley PR7 1AL</p>	<p>Council Tax - Liability, benefits, discounts, exemptions, reductions, bills and reminders, Tel 01257 515431. Council Tax - Recovery, summonses, attachments of earnings and deductions from benefit, Tel 01257 515433. National Non-Domestic Rates - all enquiries, Tel 01257 515452. Email local.tax@chorley.gov.uk Fax 01257 515778.</p>
<p>Housing Benefits Civic Offices Union Street Chorley PR7 1AL</p>	<p>Housing Benefit Overpayments. Housing Benefit claims. Council Tax Benefit claims. Tel 01257 515408 / 515775 Email benefits@chorley.gov.uk Fax 01257 515462</p>
<p>Sundry Debts Exchequer Section Civic Offices Union Street Chorley PR7 1AL</p>	<p>Invoices for various Council services. Mortgages. Miscellaneous Income. Tel 01257 515469 Email income@chorley.gov.uk Fax 01257 515364</p>

REFERRAL OF DEBTORS TO AND FROM THE CITIZENS ADVICE BUREAU

A system of Referral has been in place since 2001. This is set out below and should be followed by all Units. Contact details are included.

Units will encourage all debtors seeking help due to financial difficulties to use the services provided by the Citizens Advice Bureau. This will be offered:

- During interview
- During telephone conversation
- In leaflets, reminders and other recovery documents issued by the Council
- On the Council's website.

Procedure to Follow

CAB advisers and Council Staff will use an agreed method of identification before disclosing financial details.

The contact number for members of the public for the CAB is 01257 220347.

Council staff will make referrals to the CAB at the customer's request. The CAB are given the customer's contact details and brief details of the debt. A CAB advisor will then contact the customer to arrange a convenient appointment. As explained, it will not be possible at this stage to clarify all debts-this will need to be done by CAB at or after interview.

For referrals and customers making direct appointments, debts with the bailiff would be recalled only in exceptional circumstances as costs would otherwise fall to all taxpayers. Negotiations with our bailiffs will need to continue to be made by CAB unless we have agreed to put the case on hold.

A hold will be put on the customer's account, unless we have told them otherwise, when an appointment is made. We will mark the account as a CAB case and follow up. CAB will get authority slip signed when interviewing client to cover obtaining any information required.

When submitting financial statements, CAB agreed to verify that any payments shown as being made in list of outgoings were in fact up to date.

Letters submitted by CAB will get priority treatment on receipt.

CAB will confirm if necessary that they have attended the appointment.

CBC will inform the CAB if a client's arrangement has defaulted so the CAB can recontact their client to find out what has happened and if any further assistance can be provided.

The CAB also have the option to hold a weekly surgery in the One Stop Shop on any issues, not just money matters involving the Council.

C.A.B. ADVICE ON PRIORITY DEBTS

The following advice is supplied to debtors by the Citizens Advice Bureau for information. It does not override this corporate debt policy.

Priority debts

Priority debts are debts owed to creditors who can take the strongest legal actions against you if you do not pay. It is not the size of the debt that makes it a priority, but what the creditors can do to recover their money.

Priority debts are:

- ✓ Mortgage or rent arrears
- ✓ Fuel arrears
- ✓ Council Tax arrears
- ✓ Court fines
- ✓ Maintenance and child support arrears
- ✓ Income Tax or VAT arrears

If you have any of these debts, you must deal with them before you offer to repay any of your non-priority debts.

Non-priority debts

Examples of non-priority debts are:

- ✓ Benefits overpayments
- ✓ Credit debts such as overdrafts, loans, hire purchase, credit card accounts and catalogue debts
- ✓ Student loans
- ✓ Money borrowed from family and friends

You cannot be imprisoned for not paying non-priority debts. You are unlikely to lose your home or your essential goods. However, if you make no offers to pay, without explaining why, the creditors may take you to court. If you still fail to pay when the court has ordered it, the creditors can take further action – for example, they can get another court order allowing them to send bailiffs in to take your belongings away.

HELP AND SUPPORT AVAILABLE TO DEBTORS

Each of the debt streams will assist those who genuinely can't afford to pay what they owe to the Council. This is particularly important during difficult financial times. The help and support available includes:

Sundry Debts

- A personal phone call is made to a debtor prior to passing an account to a debt collector.
- Reasonable arrangements can be made depending on individual circumstances.
- Direct Debits are promoted for ongoing debts such as market rents and ground rents.
- Upfront payments are encouraged to prevent a debt from being created.

Housing Benefit Overpayments

- Regular Housing Benefit campaigns to promote financial well being including targeted action aimed at under represented claimant types.
- Offer home visits to explain overpayments where there is evidence of a claimant having literacy problems or other special requirements.
- A personal phone call is made to claimants if no arrangement has been made after 7 days of an overpayment invoice being issued. This is to confirm that it has been received and understood and obtain a payment arrangement.
- A statement of circumstances is sent with all reminders for payment.
- Non standard benefit deductions can be made if a claimant is suffering hardship.
- Overpayments team work with the Chorley Council Redundancy Task Force to promote financial well being.
- Check whether underlying entitlement is applicable. This can be awarded where it is possible to assess the amount of benefit a claimant would have been entitled to for the overpaid period, if the claimants' correct circumstances are known for that period.
- Equality and diversity monitoring of all overpayments.

Local Taxation (Council Tax and NNDR)

- Reasonable arrangements can be made depending on individual circumstances.
- Debtors struggling financially can be referred to the C.A.B. for money advice.
- Reminders are issued prior to cancelling payment arrangements.
- Benefits, discounts, exemptions and reliefs are routinely promoted in literature, on the website and verbally when contacting the Council.
- Referrals of struggling business to Chorley Council Economic Development for call backs offering business support and advice.
- Annual Small Business Rate Relief mailshots promoting the relief to businesses that aren't claiming but may be entitled to receive it.
- Consider hardship relief applications in special circumstances.
- Direct Debits are promoted to prevent a debt increasing.
- Equality and diversity monitoring of some discounts and accounts in arrears.

All debt streams can provide correspondence in any format, e.g. large print, audio, own language etc.