



Hinckley & Bosworth
Borough Council

A Borough to be proud of

CORPORATE SUNDRY DEBT RECOVERY POLICY

“In order to maximise income for the provision of services, the Council will issue debt punctually and correctly. The Council will collect all sundry debt owing to it promptly, effectively, efficiently and impartially, ensuring fair treatment of all customers and showing due regard to their social welfare”

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1. Introduction

- 1.1 The Council believes there is a need to develop a Corporate Sundry Debt Recovery Policy (the Policy) that is fair to everyone, including those customers on low incomes. The method for the billing and recovery of the statutory debts is tightly prescribed by Statute and our enforcement practices must take account of this diversity.
- 1.2 Wherever possible the Council will distinguish between those who cannot pay their debts and those who will not pay them. Where genuine hardship exists, the Council's officers will adopt a sympathetic and reasonable approach. It is the Council's policy both to ensure that money owed to the Council is recovered so far as possible and to ensure that people receive benefits to which they are properly entitled
- 1.3 This Policy is intended to ensure that all debtors are treated in a fair and consistent way, taking account of individual circumstances. People with serious debt problems will be encouraged to contact or seek advice from debt counselling agencies as appropriate.
- 1.4 The Council recognises that prompt, firm but fair action in collecting money is essential to ensure efficient and cost effective collection of money due. The Council recognises that full and prompt recovery of income due is essential in order to fund the provision of services delivered by the Council.
- 1.5 This Policy sets out the general principles to be applied in relation to sundry debt management across all services provided by this Council. It is to be used together with more detailed procedural guidance for staff. All budget holders must take note of this Policy to ensure that the Council maximises the collection of debts and income in the most efficient, fair and cost effective manner.
- 1.6 This Policy covers procedures relating to the sundry debt only. Additional policies relating to rent and revenues and benefits are in place and are highlighted for reference in section 5.1

2. Aims of the Policy

- 2.1 The primary aim of the Policy is as follows:

“In order to maximise income for the provision of services, the Council will issue debt punctually and correctly. The Council will collect all sundry debt owing to it promptly, effectively, efficiently and impartially, ensuring fair treatment of all customers and showing due regard to their social welfare”

- 2.2 In order to achieve this aim the Council will:

- Raise debt promptly and provide full information to debtors on the reasons for the debt and requirements to pay
- Provide a service that works and takes people's needs into account
- Dedicate resource to the raising and recovery of sundry debt
- Consider customers' rights to a reasonable standard of living, other debts and outgoings when setting up arrangements

- Take action against deliberate non-payers or those who delay payment without good reason
- Ensure we make early contact to provide support and advice to avoid debts increasing;
- Encourage and enable customers to contact us for support and/or signpost them to relevant support agencies as soon as there is a problem and to encourage the use of external agencies to assist individuals.
- Work with people in debt, or at risk of getting into debt, to set payments they can afford and to stay in touch with customers until their debts are cleared.

3. Roles and Responsibilities

- 3.1 The **Deputy Chief Executive (Corporate Direction)** is the Council's Chief Financial Officer (section 151 officer) in accordance with the Local Government Finance Act. The Deputy Chief Executive (Corporate Direction) is responsible for the organisation and supervision of all income arrangements, which includes proper accounting, management reporting, and collection arrangements. To achieve this, the Deputy Chief Executive (Corporate Direction) assigns responsibility to budget holders of the team whose service provision gives rise to the debt or potential income with appropriate support provided by the Accountancy Manager and Income Officer.
- 3.2 **Budget holders** are responsible for notifying the finance team of any debt that is due. As the ultimate "owner" of the debts, budget holders should advise finance and legal of any circumstances relating to the debt or the debtors position in order to inform them of the most effective method of debt recovery. Budget holders are responsible for requesting write offs of debts when deemed irrecoverable.
- 3.3 Within the Council's finance team, the **Income Officer**, under the supervision of the **Accountancy Manager** hold responsibility for administering the raising of debts and maintaining appropriate records. The finance team are responsible for the initial stages of debt recovery, as well as monitoring and reporting on the Council's aged debt position. The existence of dedicated finance officers in maintaining the necessary separation of invoicing / pursuit of payment duties from the actual receipt of monies. All managers should be aware of the need to keep these two roles separate (segregation of duties)
- 3.4 A designated member of the Council's **legal team** is responsible for evaluating and administering all legal proceedings relating to aged debt, as deemed appropriate.

4. Regulations and Legislation

- 4.1 The following are the primary regulations governing debt and debt collection and have been considered in production of this Policy:
- Taking Control of Goods: National Standards April 2014
 - Regulation 20, Taking Control of Goods Regulations 2013 (SI 2013/1894)
 - The Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992
 - The Local Government Finance Act 1988 and the Non Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989

- Social Security (Claims and Payments) Regulations 1987 (SI 1987/1968)
- Social Security Administration Act 1992
- The Civil Procedure Rules 1999
- The Insolvency Act
- Charging Orders Act 1979
- Attachment of Earnings Act 1971
- The Local Government Act 1972.

5. Links to other Policies and Strategies

5.1 A number of Council policies and strategies contribute to and compliment the Corporate Sundry Debt Recovery Policy and should be read in conjunction. These include:

- Council Tax, Non Domestic Rates (Business Rates) and Benefits Overpayments Recovery Policy
- Rent arrears Policy
- Financial Procedure Rules
- Corporate Anti Fraud Policy
- Whistle Blowing Policy
- Anti Poverty Policy Statement
- Single Equality Policy

6. Policies Relating to the Raising of Sundry Debts

6.1 Budget holders are responsible for raising debtor invoices in their own service areas or notifying finance of the debt that is to be raised. When notifying finance, the following information should be provided:

- The name and address of the debtor
- The amount of debt to be raised
- Narrative to include on the invoice outlining the nature of the debt and which period (if applicable) the charge relates to
- The purchase order reference as issued by the debtor (if applicable)
- The cost centre to which income should be receipted
- Any VAT rate should be applied

6.3 All fees and charges should be raised in accordance with the Council's published Fees and Charges booklet

6.4 Budget holders MUST endeavour to obtain payment in advance or at the time of service delivery wherever permissible. Sundry debt accounts should ONLY be raised where payment in advance for a service is inappropriate.

6.5 There is currently no minimum level for invoices. That said, budget holders should pay due to regard to whether debts can be combined to achieve efficiency of processes.

6.6 Debtor's invoices must be raised promptly and within one calendar month of the service provision. Budget holders must notify the Accountancy Manager when any contract, lease or arrangement is made, whose terms provide that the Council should receive money.

- 6.7 Where a continuing supply is involved invoices should be issued periodically, within five working days of the end of each period or, if payment in advance is appropriate, five working days in advance of the end of each period. The timing of invoices needs to take account of the Council's legal obligations under relevant legislation. In the case of accumulated invoices these should be raised, as far as possible, within 5 days of the last service date being charged.
- 6.8 Where the potential for a statutory benefit or discount exists in relation to the debt, the budget holder is responsible for making the debtor aware of such opportunities and they will be assisted and encouraged to apply for these.
- 6.9 Budget holders must ensure the Council is not breaching legislation by levying a charge for a service, or by pursuing recovery of sums arising from a service provision.
- 6.10 The Civica system will be used to raise invoices (and subsequent reminder letters), using approved Council Stationery.
- 6.11 Every demand for money will be correctly addressed to the person who is liable to pay it. The name on the demand will be that of a person or body possessing "legal personality"
- 6.12 Demands will, wherever possible, be issued on the day of production.
- 6.13 All invoices issued by the Council will comply with the corporate style guidance and be readily identifiable as being from the Council. All bills and notices will be clear, accurate and timely indicating what must be paid and when.
- 6.14 In the interest of economy and where appropriate all demands, reminders and final notices shall be issued by email as a preference or by 2nd class post unless contrary to regulations or other statutory or legal requirements
- 6.15 All relevant information relating to a demand will be kept either in paper or scanned image format until at least six years after the demand is raised. If at the end of that six-year period the demand still remains unpaid, the supporting documentation will be retained until either the bill is paid or the debt is written off.

7. Policies Relating to the Payment of Sundry Debts

- 7.1 The Council will encourage the most cost effective payment methods with the emphasis being on unmediated electronic means where possible. "Unmediated" in the context of electronic payment methods means a method of payment that requires no human intervention by officers of the Council to achieve its crediting to the account in question.
- 7.2 Customers may request an instalment arrangement, even when they are not generally available. The Council will consider each request fully, the instalment amount offered, frequency of the payments, and the likelihood of a customer meeting the arrangement and apply the Council's general terms in each case. If the Council is unable to accept an instalment arrangement the officer must give a clear explanation of this to the customer.

- 7.3 An agreed payment plan should be a realistic representation of what the debtor can afford to pay over the period agreed, but should at the same time mean that the Council is recovering some of the debt. Agreed payment plans are mutually beneficial for both parties because:
- The Council is able to recover the debt, albeit over a longer period of time, and at the same time avoid the costs associated with enforcement action.
 - The debtor can make repayments that are within their means and at the same time avoid becoming involved in any more serious debt enforcement action.
- 7.4 All debts should be paid in full by the due date. Therefore, if officers agree to an arrangement and the customer defaults, without having made contact with the in advance, the balance becomes due.

8. Policies Relating to the Recovery of Sundry Debts

- 8.1 The Council recognises that prompt recovery action is key in managing its debt and maximising income.
- 8.2 In carrying out recovery action the Council will follow the principles outlined below.
- **Proportionality** – Proportionality allows for a balance to be struck between the potential loss of income to the Council and the costs of compliance.
 - **Consistency** – Consistency means taking a similar approach in similar circumstances to achieve similar ends. The Council aim to achieve consistency in
 - The advice the Council gives.
 - The use of our powers.
 - The recovery procedures used.The Council recognise that consistency does not mean simple uniformity. Officers need to take account of many variables such as:
 - The social circumstances of the debtor.
 - The debtor's payment history.
 - The debtor's ability to pay.
 - **Transparency** – Transparency is important in maintaining public confidence. It means helping people to understand what is expected of them and what they should expect from the Council. It also means explaining clearly the reasons for taking any recovery/enforcement action. Transparency is a key part of the Council Officer's role. If action is required, the reasons why must be clearly explained, in writing, where required. If action is required time scales must be clearly stated. A distinction must be made between advice and legal requirements.
- 8.3 All statutory methods of enforcement of debts shall be available for use. These include:
- Attachments of Earnings
 - Warrants of Execution (taking possession of goods/charging order on land/securities)
 - Garnishee Orders
 - Insolvency
 - Possession proceedings

- 8.4 Except in the case of a demand payable by instalments or as otherwise contractually agreed, the generic recovery action (carried out by finance) for all demands is as follows:
- If no payment is received within 14 days, a first stage reminder letter will be issued giving a further 7 days notice.
 - If not payment is received within 7 days a second reminder letter will be issued giving a further 7 days to pay
 - If no payment is received within 7 days, a final written letter will be issued
 - If no payment is received within 7 days, the debt will be passed to legal services to consider further action
 - Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled
 - We will encourage people with payment problems to come forward early to discuss their individual circumstances.
- 8.5 Ownership of all sundry debts rests with the originating services and they can issue an instruction to cancel an invoice. It is the responsibility of the originating services to correspond with or discuss with the debtor issues relating to the validity of the debt.
- 8.6 We will ensure that all recovery documentation is clear and informative so that debtors are fully aware of the procedures and consequences and options available.
- 8.7 When dealing with all debt enforcement and collection cases, local authorities should ensure that accurate records are kept of:
- A debtor's details including their personal circumstances and anything that could impact on their ability to repay the debt.
 - Any other agencies that could be involved, such as social services or mental health teams.
 - The total debt including any additional costs incurred, for example, enforcement agent costs or court fees.
 - Any discussions with the debtor concerning repayment.
 - Any payment plans that have been agreed and the debtor's compliance (or lack of compliance) with any such plan.
 - Any enforcement action taken.
 - Any other relevant correspondence with the debtor including anything that they have sent, such as bank statements or income and expenditure forms.
- 8.8 Keeping full and comprehensive records of all aspects of a debt recovery case will also:
- Enable cases to be dealt with quickly.
 - Ensure that the Council has a detailed picture of a debtor's circumstances and will be able to consider the best method of recovering a debt from them.
 - Assist a debtor makes a formal complaint to the Council or the Local Government Ombudsman (LGO) about how their case has been dealt with, as the background to the complaint can be easily investigated.

- 8.9 Debts should be collected within the accounting period and before the next amount due. Anything other than this will lead to more hardship and perhaps start a downward spiral on the ability of the debtor to manage all debts.
- 8.10 In cases of multiple debts there must be close liaison between services. Multiple debts are where a debtor has significant debts in more than one service area. Such cases can present problems in determining the relative priority of the individual debts for both the individual concerned and the staff preparing settlement. In such cases staff are expected to liaise and agree an appropriate means of coordinated recovery, which reflects these policy aspirations together with the need to balance repayment profiles across all debts due to the Council. Overall our approach will be a proactive one to provide for multiple debt payment. In assessing the payment we will have regard to:
- The size of the debt
 - Its relative priority
 - Consequences of failure to pay
 - Circumstances of debtor
 - Increases in the debt
- 8.11 Once a debt has reached a final written warning stage it is passed to legal services to consider further action. Before commencing enforcement of a judgment debt legal officers will consider if it is worth enforcing and if the debtor has any assets against which the judgment can be enforced. Legal services will consider this when first contemplating court proceedings, but also reconsider it at the time of enforcement. If the judgment debtor does not have any assets, it is probably not worth proceeding as money on enforcement proceedings might simply be thrown away to no purpose. The Council should not commence bankruptcy proceedings or instruct enforcement agents as soon as a debt arises. It is cheaper for the Council and for a debtor if other less serious, voluntary methods are tried initially, for example, agreeing a payment plan with the debtor.
- 8.12 If the judgment debtor has assets, legal will consider what they are and where they are, as this will affect their decision regarding which enforcement method to choose. There are various methods of enforcing a judgment debt, and not all methods enforce against the same types of assets
- 8.13 If legal services lack information about the judgment debtor's assets, then there are ways of obtaining this. For example:
- Ask the judgment debtor, who may respond voluntarily. Otherwise, you can apply (without notice to the judgment debtor) for an order to obtain information from a judgment debtor.
 - Instruct an enquiry agent. However, ensure that their enquiries are conducted legally.
 - Check the Insolvency Register to see if an individual judgment debtor is bankrupt or subject to an individual voluntary arrangement, debt relief order or any bankruptcy restriction order and undertaking
 - Conduct a land registry search to establish ownership regarding any address you have for the judgment debtor. Inspection of the charges register will also ascertain whether the property is charged and to whom.
 - Consult the Attachment of Earnings Index.

- Check the Register of Judgments, orders and fines via [Trust online](#). All County Court and High Court judgments from 6 April 2006 for the payment of money are contained in this public register (unless exempt judgments), and remain on it for six years from the date of the judgment unless the judgment is set aside or reversed or paid in full within one calendar month.
- Conduct a search regarding a company or limited liability partnership at [Companies House](#), the official UK government register of UK companies, and get copies of the basic information about the company and their latest filed accounts.
- Check for any insolvency procedures against companies by searches of the Bankruptcy and Companies Court, Companies House and the [London Gazette](#). By using the WebCheck service on the [Companies House](#) website, you can search by the name or number of the company.
- Ask third parties (such as government departments, banks or building societies) for information about the judgment debtor. However, be aware that they may be unwilling to give you this information and may raise [data protection](#) issues.
- There may be information available from the internet, the media or others in the judgment debtor's business sector.

8.14 The following information will be sought regarding an individual judgment debtor and their assets:

- Is he employed? If so, by whom? When and how does his salary get paid?
- Does he own any land? If so:
 - where is it?
 - what is its likely value?
 - is it charged?
 - are there amounts outstanding?
- What goods of significant value does he own (for example, a car, boat, computer equipment)? How much are they likely to be worth and where are they situated? Are they subject to any finance arrangements? Does he have any other non-tangible assets in his name?
- Does he own or have a stake in a business? If so, where is it based and what is its financial position?
- Does he have a bank account? If so, with whom? What are the details (for example, account number and sort code)?
- Is he owed money by third parties? If so, who are they and what is the likelihood of them paying him back or having assets?
- What debts does he have? To whom? What are the amounts? Are they secured?
- Are there any court judgments against him? What are the amounts?
- Does an Attachment of Earnings Order exist against him? What are the details?
- Has a writ of control been issued allowing his goods to be taken control of by an enforcement officer? What are the details?
- Has anyone issued a bankruptcy petition against him?
- Has a debt management order been made (under Part 5 of TCEA 2007)?
- Does he have insurance covering liability to you?

8.15 Legal services will be mindful of the risk that a judgment debtor may become insolvent during enforcement proceedings for various reasons including:

- If preliminary enquiries show that a judgment debtor is (or is likely to become) insolvent, it may not be worth taking steps to enforce in any event.

- If the debtor goes into some form of insolvency procedure (such as administration or liquidation for companies, or bankruptcy for an individual), and you are not a secured creditor, your debt will rank alongside other unsecured creditors in an insolvency, behind preferential payments, the expenses of winding up and secured creditors. You are very unlikely to get back the full amount of the judgment debt. Therefore, to start enforcement of the judgment will only lead to wasted time and costs.

8.16 Legal services will consider the use of the following methods to recover debts due:

- **Taking control of goods using writs and warrants of control** - Taking control of goods replaced execution against goods from 6 April 2014. Like its similar predecessor, taking control of goods should be a very popular method of enforcing a judgment debt as it can be done quite speedily. It requires the issue of a court document (in the High Court, a writ of control and in the County Court, a warrant of control (these replaced writs of fieri facias and warrants of execution)), which commands an enforcement officer to take control of and sell a judgment debtor's goods (provided they are not exempt goods or do not belong to a third party), and raise funds to satisfy a judgment debt. Obviously, this method depends on the judgment debtor having goods of sufficient value.
- **Third party debt order** - By third party debt orders, sums owed to a judgment debtor that are in the hands of a third party (for example, a bank) are frozen and seized for the benefit of the judgment creditor. Third party debt orders are not the most popular method of enforcement, as they depend on there being a third party debt. However, they can be useful where the judgment creditor knows that the judgment debtor has a bank account into which his salary is paid.
- **Charging orders** - A charging order is a way of securing a judgment debt by imposing a charge over a judgment debtor's beneficial interest in land, securities or certain other assets. This usually prevents the judgment debtor from selling the land without paying what is owed to the judgment creditor, provided that there is enough equity after payment of prior creditors. An application for a charging order calls for the court to exercise discretion and it will be looking to see that enforcement by this method is proportionate. Therefore, the court may not choose to secure a small judgment (for instance, £100), when this could be enforced by another method. A charging order is most effective when there is substantial equity in a property and the judgment debtor is the sole owner. The process for obtaining a charging order can be slow, and a charging order of itself does not realise funds to satisfy a judgment debt as that requires a sale of the property, which does not automatically flow from obtaining a charging order. The judgment creditor has to subsequently apply for an order for sale of the property, or simply await its sale in due course by the owners, or following an order obtained by other creditors.
- **Attachment of earnings** - An attachment of earnings order provides that a proportion of a judgment debtor's earnings is deducted by his employer and paid to the judgment creditor until the judgment debt is paid. The basis of deduction is guided by set rates applied to the judgment debtor's resources. It is only available against individuals and in the County Court, although a judgment can be transferred from the High Court to the County Court for the purposes of obtaining an order. It is a popular method of enforcement, as it is inexpensive and fairly easy to do. Automatic deduction from wages means

that you do not have to rely on the debtor making payment. However, it depends on the judgment debtor being in employment and it can take a long time to pay off a large judgment debt by this method.

- **Insolvency proceedings: bankruptcy and company liquidation** - If the amount you are owed by an individual judgment debtor is more than £750, you can apply to make him bankrupt. (However, note that the threshold is being increased to £5000 from October 2015) Legal can also apply for a company to be wound up. A prior step is the service of a [statutory demand](#). After a bankruptcy or winding-up order is made, the judgment debtor's assets will be collected in by a trustee in bankruptcy or liquidator and distributed among all the creditors in accordance with insolvency law. However, this can be expensive and time-consuming, and may not ultimately lead to any recovery. The threat of insolvency can sometimes lead to judgment debtors making payment, but the courts discourage the use of insolvency procedures as a debt collection exercise. The courts can dismiss petitions, and also penalise judgment creditors in costs if the debt is genuinely disputed or if the judgment debtor has a genuine cross-claim or right of set-off.

- 8.17 The costs of enforcement action/litigation to recover sundry debtor invoices will be charged against the budget of the service raising the invoice. Any costs recovered from the debtor will be credited against these sums. Where legislation permits, the Council will seek to levy and recover from the debtor any and all costs/fees that are legitimately due from the debtor to the Authority or its agents. Only in exceptional cases, where it would not be in the public interest to pursue costs/fees will they be waived.
- 8.18 Bailiffs are employed as a last resort and follow a strict code of conduct agreed with the council and in accordance with the Taking Control of Goods: National Standards April 2014. The Regulations set out when enforcement agents can recover their fees and disbursements from the debtor in proceedings to take control of goods under Schedule 12 to the Tribunals, Courts and Enforcement Act 2007 (TCEA 2007), and how those fees are to be calculated. Fees are recoverable at a fixed rate, based on the stage of the enforcement procedure (as specified in the Schedule to the Regulations). Additional fees can be recovered as a percentage of the value of the goods over which control is taken.
- 8.19 After all attempts to gain payment have failed, a debtor's account will be passed to the bailiffs for collection. The bailiff is employed to obtain goods belonging to the debtor and sell them to pay off the debt. Bailiffs will make arrangements for payment under guidelines provided by the council. Bailiffs' charges are substantial, but are not discretionary. They are laid down in legislation.
- 8.20 Once an account is passed to the bailiffs, all future payments must be made directly to them. Unless there are exceptional circumstances no arrangements or payments will be accepted by the Council. The bailiffs strict Code of Practice, ensures that approval to remove must be sought from the Council prior to the removals of goods from the debtors homes. The Taking Control of Goods Regulations 2013 details the following relating to this process:
- The enforcement process is set out in four stages, each with defined fees

- The first stage, the compliance stage, requires that HCEOs (High Court Enforcement Officers) must serve a Notice of Enforcement, giving the debtor seven clear days to pay in full
 - Tools of the trade are only exempt to a maximum value of £1,350
 - Vehicles must be immobilised for two hours before they can be removed
 - The debtor must be given seven days' notice of a sale (previously it was four days)
 - The abortive fee, payable by the creditor when enforcement is unsuccessful, is renamed the Compliance fee and is triggered each time a Notice of Enforcement is served
- 8.21 Where an external agency is procured to assist with the delivery of a service the flow of information between the Council and the agency should, wherever possible, be in a secure electronic format and strictly in accordance with the national standards for enforcement agents.
- 8.22 We will ensure enforcement staff are adequately trained to deal with the public or their representatives and provide clear advice on recovery matters and general advice on benefits.

9. Policies Relating to the Write Off of Sundry Debts

- 9.1 The Council recognise that where a debt is irrecoverable, prompt and regular write off of such debts is good practice.
- 9.2 The Council will seek to minimise the cost of write-offs to the local Council Tax payers by taking all necessary action to recover what is due. All debts will be subject to the full recovery, collection and legal procedures as outlined in this policy.
- 9.3 Debts may be referred to authorised officers for write-off in the following circumstances:
- Debt remitted by a Magistrate
 - The Council has evidence to confirm the claimant is suffering a severe physical or mental illness, which renders enforcement action inappropriate.
 - The Council is unable to trace the debtor
 - The debt is not cost-effective to pursue due to small balance
 - The debt is not cost-effective to pursue due to the likelihood of payment balanced against the cost of proceedings
 - The claimant has died and there are no or insufficient funds in the estate to settle the debt
 - The claimant is subject to formal insolvency proceedings and there is little likelihood of a dividend
 - Advice that the debt is not legally recoverable
- 9.4 Authorisation of write offs are contained within the Council's Financial Regulations as follows:
- **Up to £5,000:** All members of the Corporate Operations Board (COB) may give approval to write off general debts that are proven to be unrecoverable (including where the debtor is bankrupt or being wound up) or raised in error.
 - **Between £5,001 and £10,000:** All members of SLB may give approval to write off general debts as above.

- **Between £10,001 and £25,000:** The Chief Executive or Deputy Chief Executive (Corporate Direction).
- **Between £25,001 and £50,000 Executive approval.**
- **Over £50,000:** Council approval.

9.5 All accounts that are written off will be written off against the income code against which they are raised.

10. Policies Relating to the Monitoring of Sundry Debt

- 10.1 On a monthly basis, a report showing all debts over 120 is passed to all budget holders. It is the budget holders responsibility to review this listing and to advise finance whether to write off the debt, pursue legal action against the debtor, make arrangements to get the debt cleared or cancel the debt (if inaccurate).
- 10.2 The Council has a performance indicator for debt over 90 days old as a % of aged debt. This is monitoring quarterly as part of the Performance Management Framework. Where either national or local performance indicators exist, the Council will strive for top quartile performance and will publish actual performance against these targets as required.
- 10.3 A report showing performance against the set indicator and the profile of aged debt month on month is reported to the Finance, Audit and Performance Committee on a quarterly basis.
- 10.4 In accordance with CIPFA Code of Practice on Local Authority Accounting in United Kingdom, a bad debt provision is calculated annually and accounted for as part of the Statement of Accounts. This is based on the age of the debt and factors known by budget holders affecting its recoverability.

11. Policies relating to the Social Welfare of Debtors

- 11.1 Equality and diversity considerations will be taken into account in accordance with the Council's Equalities Policy. Specifically staff seeking to recover debts will have regard to:
- Ensuring information is accessible through translations, larger print versions or sign language, as appropriate to the needs of the debtor
 - The need for home visits where the debtors are unable to access advice services
- 11.2 Budget holders will be able to intervene in the recovery cycle in appropriate circumstances to deal with hardship or dispute situations. This includes the ability to make deferred payment arrangements where immediate payment is impossible due to lack of means. Recovery procedures should not be so rigid as to cause unnecessary hardship or to prevent an individual approach and flexibility where appropriate
- 11.3 The Council welcomes the involvement of welfare agencies where authorised by the debtor in connection with debts due to the Council and recognise the benefits that these organisations can offer both the debtor and the Council in prioritising repayments to creditors and in maximising income available to the debtor.

11.4 The Council supports the provision of advice from the following agencies and will work in conjunction with them for the benefit of the debtor.

- Age UK
- [Citizens Advice Bureau \(CAB\)](#)
- [Shelter](#)
- Clockwise Credit Union
- Jobcentre Plus
- Charity Link
- Papworth Trust
- National Debt Line
- Helping Hands
- Step Change
- Pay Plan
- Turn2us
- EDF Energy Trust
- British Gas Energy Trust (open to all customers)
- Energy Savings Trust
- Severn Trent Trust Fund
- Npower Energy Fund (npower customers only)

11.5 The Language Line facility is to be used as an aid to improving verbal communications with those customers for whom English is not their first language. Language Line allows us immediate access to a professional qualified telephone interpreter in 150 languages 24 hours a day 365 days per year.

11.6 This Policy is underpinned by the authority's Anti Poverty Policy Statement, which sets out our corporate commitment and approach in working towards mitigating the impact of poverty and deprivation in our community