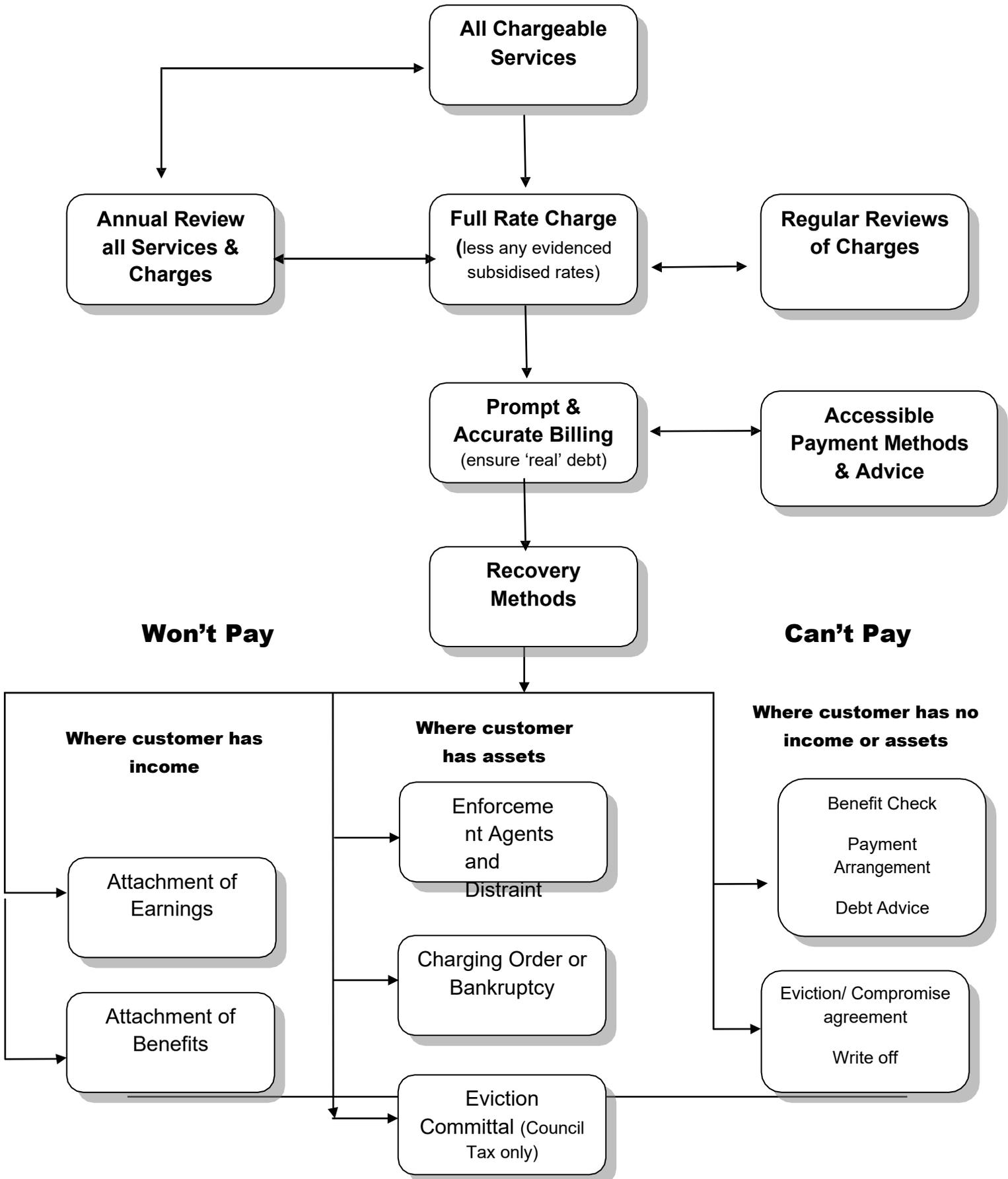


Debt Management Policy

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Debt Management Flowchart



1. Introduction

- 1.1 The Council has a duty to recover outstanding debts and in doing so ensures that its processes are fair to everyone, particularly in the current economic climate. With this in mind, the introduction of a corporate debt management policy will ensure we minimise debt and maximise rates of collection, are consistent in our approach and ensures that we assist customers who experience financial difficulty.
- 1.2 This policy applies to all sums owing to the Council and has been developed to ensure a consistent approach to the management of debts.
- 1.3 The main types of debt are:
- Council Tax
 - Housing Benefit Overpayments – this occurs when benefit is paid that the claimant is not entitled to
 - Sundry Income – the fees and charges made for a wide range of Council Services such as adult social care.
 - Business Rates
 - Rent for council properties including houses and flats, garages and commercial property
 - Leaseholder Service Charges
 - Temporary accommodation rent
 - Section 106 and Community Infrastructure Levy (CIL)
 - Parking (this is dealt with differently to other debt types)
- 1.4 The key aims of this policy are as follows:
- To maximise the level of income collected by the Council by;
 - implementation of a transparent charging policy
 - accurate and timely billing
 - reducing the level of debt arising
 - effective and timely recovery processes
 - utilising the appropriate recovery method by debt type
 - To recognise that causes of debt vary and recovery methods should be focused accordingly. Debt will be categorised and methods of recovery focused by type, with debtors identified either as ‘Can’t Pay’ or ‘Won’t Pay’:

- *'Can't Pay'* – will receive appropriate assistance and support through debt management and benefit advice, helped to make and adhere to payment arrangements and understand options to minimise costs in the future.
 - *'Won't Pay'* – appropriate tools of recovery will be focused on debt collection depending on individuals circumstances and the assets or income they have.
- To circumscribe the income cycle from charging policy through to collection and enforcement.
 - To ensure that debts are managed in accordance with legislative provisions and best practice.
 - To foster good financial management and control across the council
 - To ensure income relating to all types of debt is to be handled in accordance with the Council's Constitution, Financial Regulations and this policy.
 - To ensure performance in relation to debt recovery is reported through the relevant management structures of the Council.

2. The principles of good practice

2.1 There are a variety of reasons why debt is created. Putting effective processes in place; charging and invoicing accurately and speedily, ensures that debts raised are correct and do not discourage timely payment. Customers fail to make payments for a variety of reasons. Categorising debts types into *'Can't pay'* / *'Won't pay'* can ensure targeted recovery methods are utilised. Where people genuinely have difficulty maintaining their payments; the Council will make every effort to help. Others may deliberately set out to delay or not make payments at all. In these situations the council will take action to secure and recover payments. Where appropriate the Council will charge additional fees to cover the cost of the action and reduce the burden on those people who pay charges promptly.

2.2 The council will follow the principles of good practice set out below:

- Fair charging policies that are reviewed regularly
- Payment in advance where possible
- Accurate and prompt billing
- Promote Direct Debit as the default method of payment with a range of other payment options for customers without a bank account

- Provide advice on ways to reduce bills and maximise income
 - Consider special payment arrangements for those customers experiencing financial difficulties
 - Keep customers informed
 - Take appropriate recovery action
 - Make additional arrangements for Adult Social Care debt
 - Review and write off debt where appropriate
 - Maximise the use of SMS text messaging and other forms of communication to remind people where payments are due or overdue.
 - Pilot new approaches and share good practice across the Council.
- 2.3 A “Debt Fairness Charter” has been established which sets out the principles for how people who owe debt to the Council should be treated. This is attached at Appendix 1 to the Debt Management Policy.

3. Charging Policies

3. The Council will charge for all services where allowable
- 3.1 The council will design charging policies which are coherent and cost effective. Policies will be designed to be fair and easy to understand and administer.
- 3.2 Charges should cover the full cost of the service unless there is an explicitly agreed subsidy or an alternative means of funding.
- 3.3 Individual services and departments will regularly review charging policies and fee levels to check that charges are adequate and are applied to all chargeable services.
- 3.4 Reporting methodologies are to be reviewed and improved to ensure that there is a corporate view of the effectiveness of charging and collection policy and delivery.

4. Payment Options

- 4.1 Where payment can be taken before a service is provided these cases are to be identified and payment taken in advance, ensuring that no debt is raised in these cases.

- 4.2 When this is not possible and a debt is raised, the easier it is to pay the more likely it is that payment will be made. Direct Debit is the easiest payment method for customers and is the most efficient for the Council which helps keep the cost of collection as low as possible. Where appropriate we will propose Direct Debit as the default method of payment to all customers unless they are unable to pay this way. Where a customer is unable to pay by Direct Debit or it's not appropriate (e.g. for a 'one off' bill) we will provide a choice of convenient methods of payment.
- 4.3 The Council will encourage a range of payment options which should be convenient for the customer and cost effective for the council.
- 4.4 Services will provide a range of options to reduce the reliance on cash transactions. The current payment options are Direct Debit, Debit and Credit Cards (allowing payments to be made 24 hours a day, 7 days a week using the automated telephone line or Internet facility), Bank transfers, by Post and Cheque and Cash at PayPoint or Post Office.

5. Prompt and Accurate Billing

- 5.1 The Council recognise that prompt invoicing and billing is important in reducing the debt burden. The Council will:
- produce accurate and clear bills promptly
 - respond quickly to changes in circumstances and applications for exemptions, discounts, rebates and reliefs
 - produce clear bills in plain English and show:
 - what the bill is for and the period of liability
 - the amount due and, where appropriate, the instalment amounts and payment due dates
 - how to make a payment or deduction from earnings or benefit
 - be a contact point for enquiries - including e-mail and website details
- 5.2 Performance measures and reviews will ensure billing is effective at each stage above
- 5.3 Wherever reasonable, the Council will require payment before service will be introduced to maximise income collection.
- 5.4 Where services are used over a period of time the Council will use the most effective billing methodology such as invoicing or setting up accounts to enable regular standardised payment options based on expected service usage followed by variation adjustments at appropriate intervals. These options are subject to system capability.
- 5.5 The Council cannot eliminate the issues arising from individuals and families on low incomes. The approach to recovery must therefore be sensitive to individual circumstances.

6. Recovery Processes and securing the debt

- 6.1 The Council's approach will be consistent, transparent, firm, fair and courteous
- 6.2 Consistency means taking a similar approach in similar circumstances to achieve similar ends. The Council aims to achieve consistency in the advice it gives, the use of powers, and the recovery procedures used.
- 6.3 The Council recognises that consistency does not mean simple uniformity and will take account of many variables such as the individuals needs and ability to pay and the need to secure the debt on behalf of the Council
- 6.4 Transparency is important in maintaining public confidence; helping people to understand what is expected of them and what they should expect from the Council and clearly explaining the reasons for taking recovery and enforcement action.
- 6.5 Recovery action will be taken in a timely manner and wherever possible technology will be utilised to automate and expedite processes.
- 6.6 A written explanation of any rights of appeal against formal enforcement action will be given before or at the time the action is taken.

7. Range of recovery methods

- 7.1 The Council will differentiate wherever possible between those who can't pay, those who won't pay and those who have gone away. The purpose of this differentiation is to target the most effective recovery methods to recover the debt. A Debt Fairness Charter has been established to ensure that the Council helps support those that can't pay as fairly as possible (See Appendix 1).
- 7.2 A range of recovery options will be used where arrangements to pay have broken down. The choice of recovery method will depend on a number of factors including the method available for a particular type of debt, but options can include:
 - Attachment of Earnings Order
 - Deductions from benefit
 - Enforcement Agent action
 - Charging Order
 - Insolvency (bankruptcy) action

- Securing the debt by obtaining charging order against assets
 - Enforced sale of assets
 - Committal to prison
- 7.3 The Council will always take recovery action where a customer does not pay and does not say they are having difficulty paying. If the customer tells us soon enough that they are having problems and we agree a special payment arrangement we will not take any further recovery action. However, if we have started recovery action (e.g. we have sent a court summons) and subsequently make a special payment arrangement we will continue with recovery action and ask the magistrate for a Liability Order but just hold it to protect the Council's position.
- 7.4 When a customer tells us they cannot pay we will offer advice on ways to reduce their bill and maximise their income. Staff involved in the recovery of debts will apply the principles within the Debt Fairness Charter (Appendix 1) and aim to:
- inform customers of their entitlement to Housing and Council Tax Benefits, discounts, reliefs and exemptions
 - inform customers of the general availability of other income related benefits such as Universal credit, Pension Credits and Guarantee Credit.
 - refer customers to the Council's partners – Voluntary Sector Advice Services for help and advice on all benefit entitlements
- 7.5 Appendix 2 shows the different types of debt and stages of recovery. The table indicates which recovery method the Council is likely to use. In some circumstances the recovery method may differ because of the size of the debt or the customer's circumstances.
- 7.6 Council Tax has high volumes of recovery action, so reminder, final and summons notices are generated automatically. However, cases can be automatically withheld using 'hold indicators' (e.g. where a special arrangement is in place or work is outstanding). Cases at summons stage are individually checked before the summons is issued.
- 7.7 If a customer is vulnerable (e.g. elderly, seriously ill, mental health issues) and this makes it difficult for them to pay, we will try to avoid recovery action and provide the assistance they need to make payment. We can only do this if we know the customer's circumstances.
- 7.8 We will always ensure that the recovery method is appropriate for the amount of debt. A decision to use Enforcement Agents will balance the type/value of debt and recovery action taken with information we hold on the debtor and any vulnerabilities they may have.

7.9 Where the debt is for an ongoing service provided by the Council which the Council does not have to provide (for example Trade Refuse) we will stop providing the service until the debt is paid or an acceptable special payment arrangement is made.

7.10 We will follow the principles of enforcement outlined below:

- Our approach will be consistent – with the aim of achieving consistency in the advice we give, the use of our powers and in the recovery methods we use
- Our actions will be transparent – to help customers to understand what is expected of them and to explain the reasons for taking any recovery action.
- Our action will be proportional – we will only use the most severe sanctions for the most difficult high value cases

7.11 The collection of Adult Social Care charging will take into account the vulnerable nature of many of the customers. Unlike other sundry debts, Capita's only responsibility for ASC debts is to issue invoices on the Council's behalf for internal recovery action. Recovery is undertaken by the service and includes taking additional steps to try and understand the customers' personal and financial circumstances so that we can act appropriately in the best interests of the customer, other service users and the Council.

7.12 Use of eviction from Council properties will be a last resort and is governed by legislation. Compromise agreements may be sought with Housing where possible. For example re-locating a family into a smaller more affordable property.

8. Tracing

8.1 The Council will make all necessary attempts to trace any debtor that has absconded to ensure that payment is received. This will include checking internal and external sources of information and sharing information with other authorities and using tracing agents as appropriate. The timeliness of tracing, allowing time for the debtor to reappear will be considered before the debt is submitted for write off.

9. Enforcement Agents (EA) and EA Management

- 9.1 The ability to refer debt to Enforcement Agents is an important tool in the recovery process. The Council appreciates the sensitivity attached to the use of Enforcement Agents.
- 9.2 The Council will seek to use Enforcement Agents only where it has determined that this is the most effective collection method for the debt in question.
- 9.3 Enforcement Agents will be selected with regard to their performance and customer service standards and capabilities. Contracts will give due regard to social value and vulnerability policies. The council will balance the requirement for effective debt collection with the reasonable and lawful behaviour of its Enforcement Agents functions and contractors.
- 9.4 Enforcement Agents performance and contract management will be in place to ensure that compliance with codes of conduct good practice. The Council manage performance across a range of areas including charges, hours of operation, levels and accuracy in taking control of goods, entry and re-entry.
- 9.5 Enforcement Agents payments and incentives will be reviewed as part of the procurement process to align performance to council objectives, maximise income and minimise cost to the council and the customer. This will include ensuring that social value is included within the contracts.
- 9.6 Enforcement Agents services will comply with the National Standards for enforcement agents.

10. Debt Advice & Multiple Debt Management

- 10.1 The Council recognises that some customers will experience financial difficulty either for short or longer periods. Customers who find themselves in debt will often have multiple debts and often experience a spiral of debt that affects the whole family and life quality and becomes a way of life. All staff dealing with families in difficult circumstances must be cognizant of this and recognise the effect being in debt has.

- 10.2 Customer Service and debt recovery staff will be trained to work with colleagues and families or individuals in debt to understand their particular life circumstances and focus help around these.
- 10.3 Customers will be signposted to assistance in managing debt using the Council's own help and independent partners such as Citizen's Advice and the South West London Law Centre.
- 10.4 Where a customer owes more than one debt of the same type, where possible, these debts shall be amalgamated for the purposes of this policy.
- 10.5 Where possible, the Council will seek to identify all debt outstanding at the same time so that an holistic approach is adopted. If we are aware, through discussions with the customer or systems matching, that the customer has multiple debts with the Council we will review those debts in total and try to help them to manage these debts. Sharing data across services and within the confines of data protection legislation will be crucial in deciding on appropriate action to take.
- 10.6 Where the customer has multiple debts it is also likely they will owe money to other organisations. The Council does not itself offer debt management advice to individuals or business. However, the Council recognises the valuable role of local advice agencies in providing assisting to local residents experiencing difficult in managing debt and prioritising repayments to creditors and in maximising income available to the debtor. For example money advice for individual debtors is available through Citizens Advice and the South West London Law Centre.

11. Staff in arrears

- 11.1 It is not acceptable for Council Members, staff or those employed through Adecco to owe money to the council
- 11.2 The council will use the information it holds on staff to assist with debt recovery and to make arrangements to clear the debt by salary deduction or Direct Debit.

12. Treatment of costs

- 12.1 The Council will seek to levy and recover all costs and fees that are legitimately due from the debtor to the Council or its agents. Only in cases where it would not be in the public interest to pursue costs/fees will they be waived.
- 12.2 A distinction will be drawn between costs which are withdrawn because they were charged incorrectly and costs which are written off because they are considered to be irrecoverable under the guidance of this policy.
- 12.3 Where costs are considered as irrecoverable they shall be treated in the same manner as other debts for the purpose of this policy.

13. Debt Analysis and Segmentation

- 13.1 The Council will use all available information to segment existing uncollected debts to maximise recovery before these are considered for write-off. Write off of irrecoverable debt will be in accordance with the Council's Financial Rules set out in the Constitution as described below. Write off will be agreed in line with the Council's Write Off Policy (Appendix 3) and total levels of write off annually will be reported to the Finance, Policy and Resources Committee.
- 13.2 Data will be considered from a range of sources and the Council will work to develop an approach to debt recovery which provides a more holistic understanding of an individual's debts, facilitates segmentation of older debts and helps to maximise income by identifying debts that were not thought to have been collectable.

14. Write-Off Policy (all debts)

- 14.1 The Council will take all necessary action to recover what is due. Debts will be subject to the full recovery, collection and legal procedures as outlined in this policy.
- 14.2 The Council recognises that where a debt is irrecoverable, prompt and regular write off of such debts is good practice.
- 14.3 Irrecoverable debts are subject to the Financial Rules set out in the Council's Constitution. The rules for writing off irrecoverable debts are those contained within the Council's Financial Rules and Scheme of Delegation and Management and are set out below:
- Financial Regulation 8.2: The Executive or relevant Committee, having regard to the advice of the relevant Executive Director and the Executive Director of Finance, is responsible for determining discretionary charges for Council services, for writing off sums to the Council, and for delegating authority to determine discretionary charges and to write off sums due to the Council.
 - Financial Regulation 8.4.5: formal approval for debt write off is obtained without delay;
 - Financial Regulation 8.4.6: a Scheme of Management is operated effectively within the area identifying staff authorised to act on the Executive Director's behalf in respect of placing orders, payments, income collection and preparation of write offs for submission to the Executive Director of Finance, together with the limits of their authority;
 - Scheme of Delegation: The Executive Director of Finance has delegated authority to approve write-off of irrecoverable debts up to £25,000;
- 14.4 In considering the approval to write off a debt the authorising staff shall give consideration to:
- This Policy
 - The interest of the local community
 - The Council's fiduciary duty

- The rights of the customer and the effect of continued enforcement action
- 14.5 Regular meetings will be held with service heads to discuss and agree write offs so that there is appropriate challenge and opportunities to learn lessons and make improvements to recovery processes – See Write Off Policy at Appendix 3..
- 14.6 Any member of staff, Member or Contractor who has an interest in any debt must not participate in the decision making process regarding the write off of the debt and must declare their interest.
- 14.7 For the purposes of this policy an interest includes those in the following list, however, the list is not intended to be exhaustive. Where a member of staff is unsure whether they have an interest they should seek advice from their line manager or internal audit.
 - The debt is owed by a relative, including relatives by marriage
 - The debt is owed by a relative of a current or former partner
 - The debt is owed by a friend or neighbour
 - The debt is owed by an organisation of which you are a member
 - The debt is owed by an organisation of which a relative is a member
 - The debt is owed by a company or individual with whom you have a business relationship

15. Performance Monitoring

- 15.1 The Council will monitor the implementation of the process to ensure that it is effective. Monitoring will include:
 - An annual reports to Finance, Policy and Resources Committee on debt management performance and write off levels
 - quality checks on work processes to ensure fairness and consistency
 - audit and quality checks on work processed by individuals
 - rate of collection – to identify our performance against the targets set for the collection of debts
 - number of cases at each stage of the recovery process
 - complaints received – to assist us with making service improvements
 - setting targets to improve performance
 - regular monitoring of Service Level Agreements
 - benchmark our services with other local authorities

- 15.2 Performance reporting will continue to be on an income stream and collection rate basis and the effectiveness of the policy will be seen through the levels of income that individual services achieve.

16. Review of this policy

- 16.1 The Council is committed to continuous improvement and it is critical that new approaches and ways of working will be introduced. This policy will be reviewed annually to allow it to be updated and to take any service improvements or changes into account.



Debt Fairness Charter

Help us to support you in the resolution of debt
A Fairer Borough

With thanks to and in alignment with the Government Debt
Management Function's Debt Fairness Charter



Introduction

This Debt Fairness Charter sets out principles for how people who owe personal debt to the Council should be treated. People may owe money to the Council for several reasons, for example, unpaid Council tax, fines, fees, benefit overpayments, parking, commercial rents or business rates.

This Charter should enable you to understand the Council's responsibility to treat you fairly when working with you to repay what you owe. It also offers guidance on actions you can take to help this process. If you are having difficulty repaying your debts, we commit to working with you on a way forward.

Our commitment to treating you fairly

Each Council department operates differently and will continue to have their own policies and practices for how they manage debt often governed by legislation. However, fairness is a key consideration for all Council departments, to provide fairness to both the public purse and those needing additional support.

The principles on the next page outline what you can expect from us when repaying your debts. They have been created to make sure we work with you in a way that is suitable and appropriate to your circumstances. We recognise it can be difficult to get in touch and speak about your debts but once you do, we will listen and treat you with respect to help find a resolution that works.

Through this Charter, we will:

Understand your situation

- Work with you and listen to understand your financial situation. To do this, we might ask you about your income, assets, and spending. We need this information to make sure the agreed next steps are suitable for your financial circumstance.
- Work with you and listen to understand your personal situation. Understanding your personal situation will inform how we work with you, or make sure the agreed next steps are suitable to your personal circumstance. For example, any physical or mental health conditions, or experience of economic abuse.
- Take note of what you have told us so we can make sure the plan for resolving your debt is tailored to your situation, only agreeing payments we consider affordable. We will tell you about options available and work with you to reach an appropriate outcome.
- Be flexible if your situation changes. For example, if you are struggling to pay, we may offer you flexibility, and reassess your options if appropriate. Equally if you can afford to make higher repayments, we will help you repay what you owe faster.

Support and advice

Wandsworth Debt Management Policy

- Make you aware of independent and free debt advice and tell you how to access this, so you can seek advice if you are struggling financially. We will allow you sufficient time to seek debt advice.
- Make you aware of other support options available, so you can get support for issues that might impact your ability to repay what you owe. For example, if you require medical or mental health support or are experiencing economic abuse.

Communication

- Actively work with anyone authorised to deal with us on your behalf, for example, a debt adviser or family member.
- Communicate with you clearly, openly and with respect, ensuring you understand the options that are available. We will also protect the information we hold about you and treat it in line with General Data Protection Regulation (GDPR). These principles are intended to achieve a debt solution that works for everyone. If your debts are not repaid without explanation or we are not able to agree a solution, we will tell you about what might happen next. This may include a possible move to enforcement action.

The principles outlined in the previous section demonstrate how we will work with you to help deal with your debt in a way that is suitable and appropriate to your circumstances. To help us do that, there are some things we may need from you.

Sharing information about your situation

- If we ask for information about your financial situation or personal situation, share this with us so that we can find a solution (see Standard Financial Statement at the end of this document for further information). For example: - other debts, income, or assets that you might have, or if you are experiencing any physical or mental health challenges or economic abuse.
- We might sometimes need proof of your circumstances – if relevant, send us the information in the timeframe we agree with you, or let us know if there are any challenges to doing so.
- If you're having difficulty making repayments, let us know as soon as possible so we can help you – it is important to maintain contact if additional support is required.
- Let us know if your situation changes, including if you can afford to make higher repayments, or repay more quickly.

Support and advice

- Engage with us and – if appropriate we will signpost you to free, independent debt advice, which will help make sure you're getting support for all the debts you owe.
- If you have support needs or adjustments regarding how we communicate with you, let us know as soon as possible so we can meet these needs.

Wandsworth Debt Management Policy

- Let us know as soon as possible if your contact details – such as an address, email, or phone number change, so we can communicate with you correctly.
- Communicate with our staff clearly, openly and with respect – as we commit to doing with you.
- Use online, self-service options, if you are able to.

Debt Fairness Charter Situations not covered by this Charter

This Debt Fairness Charter sets out principles for how people who owe personal debt to the Council should be treated. There are exceptions when it is not appropriate to directly follow all principles in this Charter. This Charter does not replace any legislation, or powers given by Parliament for collecting debt, for example, where deductions are taken from benefits or earnings, or where a charging order may be applied. The relevant Council department will clearly explain where the Charter does not apply to you.

Debt that is a result of fraud or criminal activity is not covered by this charter – this will be dealt with using existing policies, practices, and legislation.

If you believe you haven't been treated fairly

If you believe you have not been treated in line with the principles in this Charter, please get in touch with the relevant Council department. We accept errors may happen, but we will aim to put these right where possible.

If you need to contact a department about dealing with your debts, you should contact them using the contact details overleaf or in any communications you have received.

Useful Council Contacts

Council Tax	On line contact options Contact Council Tax - Wandsworth Council	020 8871 8081
Adult Social Care	On line contact options Contact Adult Social Care - Wandsworth Council	020 8871 7707
Business Rates	On line contact options Contact Business Rates - Wandsworth Council	020 8871 6454
Commercial Rents	On line contact options helpdesk.pma.uk@avisonyoung.com Contact Commercial Property - Wandsworth Council	020 7911 2611
Housing Rents	Contact Rent Collection Service - Wandsworth Council	020 8871 898
Leaseholder Service Charges	Contact Leaseholder Service Charges - Wandsworth Council	020 8871 8327
Parking	On line contact options	

Wandsworth Debt Management Policy

	make an enquiry	020 8871 8871
Sundry Debts	On line contact options Pay an invoice - Wandsworth Council	0800 021 7763
Housing Benefit Overpayments	Make an enquiry Contact Housing Benefit Overpayments - Wandsworth Council	020 8871 8081

If you are struggling with debts outside of the public purse eg; utility providers or credit cards, you may wish to consider contact with any of the services listed below;

Citizens Advice Bureaux (CAB) - Wandsworth

Please check opening times.

Tel: 0800 144 8444

<https://cawandsworth.org/contact-us/>

South West London Law Centre (SWLLC)

5th Floor Davis House, Robert Street

Croydon CR0 1Q

020 8767 2777 (9:30am – 4:30pm Monday – Friday)

Money Advice and Pensions (MaPS)

Tel: 0800 138 7777 (Money Advice)

Tel: 0800 011 3797 (Pensions Advice)

www.maps.org.uk

Money Helper

[Use our debt advice locator | MoneyHelper](#)

National Debtline

Tel: 0808 808 4000

www.nationaldebtline.org

National Domestic Abuse Helpline

(24 hours) Freephone: 0808 2000 247

www.nationaldahelpline.org.uk

[Money Advice Service](#) free phone 0300 500 5000.

Further information

Breathing Space

Breathing Space is a debt option that gives you temporary protection from the creditors you owe money to if you're struggling with debts. This includes:

- freezing most interest, fees and charges on debts; and
- pausing most enforcement action and contact from creditors.

It's a short-term option, to give you time and space to engage with debt advice and find a longer-term solution.

There are two types of Breathing Space:

- Standard Breathing Space – which you apply for through debt advice, and which lasts for up to 60 days, with a review between days 25 and 35. You can only apply for Breathing Space through a debt adviser (eg; National Debt Line)
- Mental Health Crisis Breathing Space – which is specifically for people in mental health crisis treatment and can only be applied for with an Approved Mental Health Professional (AMPH). It lasts for the duration of your treatment, plus 30 days.

Standard Financial Statement (SFS)

A Standard Financial Statement is a tool used to assess your incomings and outgoings along with any debts that you owe.

The tool is used to summarise a person's income and outgoings, along with any debts they owe.

It provides a single format for financial statements, allowing the debt advice sector and creditors to work together to achieve the right outcomes for people struggling with their finances.

A savings category has been introduced into the SFS, recognising the benefits of building financial resilience. This small savings allowance is expected to help develop a savings behaviour and increase the capacity to withstand income shocks in the duration of a debt solution.

Appendix 2

Table 1: Debt Types & Recovery Methods

	Request for Payment	1 st Reminder 2 nd Reminder/ Final Notice (min.times cales)	Claim Form or Summons	Court	Enforce ment Agents and Distraint	Attachment of Earnings or Benefit	Charging Order	Bankruptcy or Insolvency	Committal to Prison	Withdrawal of Service / Eviction
Council Tax	Annual Bill	✓ 1 st =14 days 2 nd =7 days	✓ Summons = 14 days	Magistrate	✓	✓	✓	✓	✓	x
Business Rates	Annual Bill	✓ 1 st =14 days 2 nd =7 days	✓ Summons = 14 days	Magistrate	✓	✓	✓	✓	✓ (sole traders)	x
Rent	Weekly Charge	✓ 1 st =7 days 2 nd =7 days	✓ Pre notice = 7 days Notice seeking possession = 7 days	County Court	✓	✓	✓	✓	x	✓
Parking Charge Notice (PCN)	PCN	✓ Charge Cert = 21 days	✓ Referral to TEC = 35 days	Traffic Enforcement Court (TEC)	✓	x	x	x	x	x
Lease-holders	Annual Bill	✓ Quarterly reminders	✓ Persistent non payment	County Court	✓	x	✓	✓	x	x
Commercial Rents	Quarterly Bill	✓ Reminder = 21 days Final notice	✓ Claim form = 7 days	County Court	✓	x	✓	✓	x	x

Wandsworth Debt Management Policy

		= 14 days								
Sundry Debts	Invoice	✓ As above	✓ As above	County Court	✓	x	✓	✓	x	✓
ASC invoices	Invoice	✓ As above	✓ As above	County Court	✓	x	✓	✓	x	x

Write-Off Policy

Enforcement action to taken be prior to considering write off

All reasonable and economical debt recovery action should be taken before consideration is given to writing off a debt. The degree of enforcement action attempted should be dependent on the amount owed, the type of debt and the customer's personal circumstances where they are known.

Approved reasons for write off of debts

Debts to be written off fall into two broad categories, firstly those debts that the Council is unable to collect and secondly those debts that are deemed uneconomic to collect. The following reasons are recognised as valid reasons for the write off of debts, subject to all appropriate action to enforce payment having been attempted.

Unable to recover:

- The customer is deceased and has left no estate
 - The customer is subject to a formal insolvency order (*in such cases any accruing debt to be written off will only be up to the date of the order*)
 - The debt has been remitted by the Court
 - It would cause the customer hardship to enforce payment, or it is in the interests of the Council or the wider community to write off the debt. This includes the use of the Council's powers under Section 49 of the Local Government Finance Act 1988 in respect of writing off a Non-Domestic Rate on the grounds of hardship when appropriate
 - The customer has absconded/gone away and cannot be traced
 - The customer is living outside the jurisdiction of the English Courts and is unlikely to return.
 - The Court has refused to make an order in respect of the debt
 - The customer has served a prison sentence to discharge the debt
 - The debt is an overpayment of Housing or Council Tax Benefit which is deemed to be unrecoverable in accordance with the Housing Benefit General Regulations 1987 and the Department for Work and Pensions overpayment guidance manual
 - The age of the debt precludes recovery or the debt is Statute Barred.
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Uneconomic to recover

It is uneconomical to take action to enforce payment if the amount is a small balance or it is in the Council's interest to agree a negotiated settlement of part of the debt.

In general, recommendation for debts to be written off should be made only where one of the above categories applies. However, it is recognised that it is difficult to anticipate all potential circumstances where write off may be justified, and that on occasion it may be appropriate to write off a debt for other reasons. Where this is the case justification for the recommendation must be provided to the appropriate authorised Officer, who will make a decision regarding the writing off of the debt.

Regular meetings will be held with heads of service to discuss and agree proposed write offs. This facilitates independent review and challenge on individual cases and seeks to drive out lessons learned to prevent similar debts reaching a stage where they are uncollectable and have to be written off.

Authorisation to write off debts

The Council's Financial Regulations and Scheme of Delegation allow for debts to be written off in accordance with the following delegations:

Value of Debt / Credit	Staff Authorised to Write Off Debt
Up to £500 (levels vary per debt type)	Head of relevant service area, i.e. Council tax, Adult Social Care – individual delegated limits agreed dependent on debt type.
Up to £25,000	Executive Director of Finance
Over £25,000	Executive

Guidelines to authorising write off of debts

In considering the approval to write off a debt the authorising staff shall give consideration to:

- This Policy
 - The interest of the local community
 - The Council's fiduciary responsibilities
 - The rights of the customer and the affect of continued enforcement action.
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Links to Existing Policy & Policies

1. **Anti-fraud and Corruption Strategy**
 2. **Staff & Members Code of Conduct**
 3. **A guide to Billing, Collection & Recovery for Council Tax & Business Rates**
 4. **Department of Adult Social Care and Public Health – Debt Management Protocol**
 5. **Debt Management Policy and Procedures – Sundry Debt**
 6. **Rent Collection Services Procedures Manual (Wandsworth only)**
 7. **IMAX Arrears Policy and Procedures**
 8. **Former Tenant Arrears Policy and Procedures**
 9. **Avison Young’s Professional Property Management Contract – Services Specification**
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