

Bury St Edmunds Town Council

Collection and Debt Recovery Policy

Introduction

The Town Council has a legal duty to recover all sums due to the Council efficiently and effectively. A collection and debt recovery policy ensures that collection methods are fair to everyone, especially those on low incomes.

It is recognised that people do not pay their debts for a variety of reasons. Some people, because of living in or on the margins of poverty, will have difficulty in paying. The Council will use its best endeavours to help such people and to minimise the impact of debt on them.

Some people may deliberately set out to delay or not make payments and all methods of enforcement will be used to secure payment of debts in these cases. Some people may be able to pay but do not pay because of an oversight or personal difficulties and not because of a deliberate decision to avoid or delay payment. The Council will seek to help such people by encouraging them to get in contact and discuss any difficulties.

The need to get in touch is central to the Policy. Where a person makes contact their circumstances will be considered with a view to agreeing a reasonable payment arrangement, minimising recovery action and helping to alleviate hardship. Where people fail to make contact or maintain arrangements, recovery action will continue.

This Policy covers the collection of allotment rents and sundry debts. It consists of a statement of principles and a code of practice.

Benefits of a Debt Collection policy

The Policy will:

- help to identify deliberate non-payers or people who delay payment
- enable people who fall into arrears to come to payment agreements appropriate to their circumstances
- make sure that when we take enforcement action it is appropriate and likely to be effective
- mean that by the Town Council being approachable people in debt will be more willing to make contact when they first face difficulties

Aims of the Policy

The aims of the Policy are to:

- ensure prompt billing and to remind people quickly if they do not pay
- encourage people to make early contact to avoid the build-up of debt
- take enforcement action against deliberate non-payers or those who delay payment.

Where people have fallen or are likely to fall into arrears, Officers will work with them and their representatives to set reasonable payment levels that they can maintain.

Debt collection principles

The Council:

- considers that people have a responsibility to pay

- aims to identify those who can pay but do not pay or who delay payment, so that recovery action can be taken accordingly
- actively encourage contact at every stage of the collection and recovery process
- acknowledges the need to provide a service that is effective use of public funds but is sensitive to individual needs
- acknowledges the Town Council's responsibility to collect revenue effectively.

Code of practice

The Council will provide clear and prompt information about bills and liabilities.

The information provided will show:

- what the bill or liability is for
- the amount due
- when the amount must be paid by
- how to make payment
- a contact point for all enquiries.

All such correspondence will be clearly written, without the use of jargon and will contain, where appropriate, information about where to get independent advice.

Making payment

The easier it is to pay, the more likely it is that payment will be made. For reasons of economy and efficiency Council requests that regular payments e.g. allotment annual invoices are made by direct credit; single payments can be made by a variety of means and details of these options are advised on each bill. Whatever the method of payment individuals must ensure that payments reach the Council by the due date.

Making arrangements for people in arrears

The Town Council will actively encourage people to get in touch at an early stage if they are having difficulty paying. When a person makes contact, a realistic agreement on timeframes and methods for payment will be made. It is important to remind the individual to contact the Council if they anticipate problems in meeting any instalment by the due date.

Monitoring payment arrangements

- all payment arrangements will be closely monitored
- prompt recovery action will be taken in respect of missed payments
- the responsibility for making sure that payment reaches the Town Council account by the due date remains the responsibility of the individual
- the individual should be reminded that the date on which instalments are to be paid is the final date on which money should reach the account. This means that individuals must allow sufficient time for the payment to reach the Council by the due date.

Personal circumstances

The Town Council is obliged to pursue all debts irrespective of a person's age, disability etc. A suitable payment plan will be agreed along with the payment method most convenient to the person's circumstances. Once the payment plan is agreed it will be closely and regularly monitored and when necessary, may be reviewed by the Council.

Monitoring the Policy

It is the responsibility of the Council to ensure the Policy is effective through its monitoring and complaints procedures, taking into account the indicators listed below:

1. number of cases with arrears outstanding at year end
2. size of arrears outstanding at financial year end
3. number of complaints received where the Policy is not being followed
4. internal control reviews.

Payment received process

1. Payments received are checked against the copy invoice or, in the case of annual allotment invoices, against the annual record sheet (filed in the folder "Allotment invoices [year]") and the amount paid, the date it was paid and the receipt number (where applicable) are recorded on the copy invoice or annual record sheet.
2. Payments received by post will be sent a receipt by 2nd class post.
3. Payments made in person are issued with a receipt from the Council before leaving the premises.
4. Payments made by direct credit to Council's bank account are not issued with a receipt.

Debt recovery process

N.B. Payment is due within 30 days of the date of the invoice.

1. Reconciliation of the relevant Council bank statement with the payment received records will confirm those persons from whom payment has not been received within the terms agreed (N.B. there may be unidentifiable receipts on the bank statement which will require further investigation; this will be undertaken before any next steps).
2. Within 5 working days a first email, phone call or letter to remind of the outstanding payment is made/sent which gives 7 days to pay.

If payment/contact is not received within the specified period:

In the case of allotment rents: letter, warning that 'notice to quit' would be given if payment is not received or contact made during a further 7 days. (In the case of underpayment no notice to quit will be served in respect of sums less than £5.)

3. In the case of other debts: a letter confirming enforcement action may be taken if payment is not received or contact made during a further 7 days.
4. Where contact is made during this process and payment difficulties are identified, a personal payment plan will be agreed with the individual debtor.

If payment/contact is not received within the specified period:

5. In the case of allotment rents: letter giving statutory 'notice to quit' if payment is not received or contact made during a further 7 days. N.B. once the statutory notice period has expired the tenancy agreement will be cancelled, possession of the plot will be taken and the plot will be re-let.
6. In the case of other debts: enforcement or other action to be agreed by Council.
7. Where contact is made during this process and payment difficulties are identified, a personal payment plan will be agreed with the individual.

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