



Leicester  
City Council

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# Leicester City Council Debt Policy

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Leicester City Council is legally required to safeguard public money. This policy reflects the need to collect monies owed by individuals and companies whilst acknowledging there are circumstances where collecting full payment immediately would cause financial difficulty for some customers. Using this policy ensures we collect debt in a fair, proportionate and respectful manner.

### Our duties to customers who owe us money:

Leicester City Council will endeavour to perform the following duties:

- 1 Meet our obligation to citizens of Leicester to maximise debt collection to protect services for Leicester's residents
- 2 Remind debtors of their obligation to pay debts on time and advise and support debtors through the collection process
- 3 Provide methods of payment that are easy to follow and suitable for all debtors
- 4 Assess debtors' ability to pay and, where appropriate, consider a payment plan where full payment cannot be made immediately
- 5 Regularly monitor payment plans to ensure compliance, where appropriate
- 6 Where a debtor fails to make payment, either full or in part, to take appropriate recovery action to obtain payment

### Your duties as a customer who owes us money:

Leicester City Council expects its debtors to perform the following duties:

- 1 Pay your debts in full when they become due
- 2 If you are unable to pay your debts in full when they become due you must contact us at the earliest opportunity
- 3 Where further information is required (i.e. an income/expenditure assessment) you must provide accurate, up-to-date and honest details
- 4 If you are unable to pay your debts immediately and in full you must arrange a payment plan with us at the earliest opportunity
- 5 If you default on a payment, in full or in part, you must explain why this is the case and make arrangements with us immediately
- 6 If recovery action is taken against you, you must attempt to resolve the matter as soon as possible to avoid delay and additional costs

### Mutual Duties:

- 1 To inform you/us/a third party if a mistake is made and apologise for the error
- 2 To act honestly, respectfully and courteously at all times
- 3 To effectively communicate in the most efficient way possible throughout the collection process to avoid delay, expense and inappropriate recovery actions
- 4 To find a solution that avoids legal action

### Don't know who to contact about your debt?

Please visit our website for further details, at [Leicester.gov.uk](http://Leicester.gov.uk) or call us on 0116 454 1000.

### Benefits of having a debt policy:

This policy formally identifies the need for Leicester City Council to act consistently and fairly towards customers. However, the policy recognises the need for discretion at times and allows for

a degree of flexibility to meet customers' needs. It also protects the interests of all parties in the debt collection process and aims to encourage early communication and realistic repayment arrangements wherever possible. This policy will enable us to save time and expense for all parties and allow us to operate fairly, openly and honestly.

## Customer care

We are committed to providing excellent customer care. As part of this commitment, we will:

- 1 Aim to get things right first time
- 2 Make it easy to access our services
- 3 Listen to you so we can better understand your needs
- 4 Be polite, professional and helpful
- 5 Treat you fairly and with respect
- 6 Keep you informed
- 7 Protect your confidential information and privacy
- 8 Welcome your feedback and tell you how it has made a difference
- 9 Aim to deal with customer enquiries fully, and if this is not possible, agree on a course of action.

If we cannot help a customer for any reason, we will always tell them why.

## Customer care for vulnerable customers

A customer is vulnerable if for reasons of age, health, disability or severe financial hardship, they are unable to safeguard their personal welfare or the personal welfare of other members of their family. Each case will be looked at on an individual basis.

## Which types of debt does this policy cover?

This policy covers all debt types across Leicester City Council.

## Benefits, discounts and exemptions

We will endeavour to notify debtors of any benefits, discounts or exemptions available. Only, if the benefits, discounts or exemptions cover the full amount of the money you owe us, will we stop any further debt collection action. It is therefore in your interest to find out if you are entitled to any benefits, discounts or exemptions at the earliest opportunity.

If you are awaiting the outcome of a review or appeal of your entitlement to benefits, discounts or exemptions, we will recover the money you owe us based on your ability to pay *at that time*.

## Debt advice agencies

We are committed to supporting debtors through the debt collection process and, where relevant, we will refer you to debt advice agencies that can help you with impartial advice and support.

## Priority Debts

This policy recognises that some debts take priority over other debts. Priority debts include:

- Mortgage repayments and loans secured on your home
- Rent
- Council tax
- Payments ordered by the courts
- Gas and electricity debts

These debts should be prioritised. There are serious consequences if you do not pay a priority debt, i.e. you could lose your home or be imprisoned.

## Individual debt services

Please note that different services may have different legal requirements to recover debt. The recovery process and/or enforcement actions may vary depending on which service your debt is due to. For further information about how the different services manage debt, please see the appendices below.

## Complaints

You can complete our online complaints form on the Leicester City Council [website](#).

Once a complaint has been made, we'll send an acknowledgement within 24 hours, with the name of the person to be contacted with any further questions.

## Data Protection considerations

The Council collects and stores personal data for the purposes of effective billing, collection and recovery of debt. Data retained for this purpose will be processed in accordance with the Data Protection Act 1998 and will be stored securely at all times.

Data may also be shared within the Council, agents, contractors appointed by the Council or with other organisations where the law allows and in particular where it is in the interests of the debtor or where it will prevent fraud or the unlawful evasion of payment of sums due.

## Equality considerations

The Council has a statutory duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.

Acting in accordance with this Policy will help to ensure that the collection of sums due is conducted in a consistent and objective manner that will reduce the risk of inadvertent discrimination against persons with protected characteristics. It will also ensure that debt collection and recovery is delivered in an equally accessible manner to all members of the community.

## Policy Review

To make sure that this policy remains fair and relevant to our debtors we will review this policy annually.

# ***APPENDIX 1 - REVENUES & CUSTOMER SUPPORT SERVICES***

## Purpose and Scope

The purpose of this document is to outline the Revenues and Customer Support Services policy for the billing, collection and recovery of Council Tax and National Non Domestic Rates (Business Rates) owed as laid down by the Local Government Finance Act 1992 and the Local Government Finance Act 1988 respectively and supporting legislation. The intention is to explain the processes clearly to show the transparent nature of the work, rather than give a detailed analysis of the legislation and procedures involved.

Council tax and business rates help pay for the services we provide to the whole community, and it is therefore essential that bills are paid by everyone.

## Communication and contact with us

We will give our customers a variety of options to contact us to discuss payment of their accounts:

- By email, in writing, or through web forms on our website
- By telephone on 0116 454 1006
- Face to face through the Customer Service Centres which can be found on our website

## Recovery procedures

### Bill and Payment Options

The Revenues and Customer Support Service is responsible for despatching annual Council Tax and Business Rates bills each year. Amended bills are despatched daily during the year for accounts where a change has been made, e.g. for a change of liability, entitlement to Council Tax Reduction etc.

We also offer the option to receive bills by email. To register for e-billing, customers can send a message from the email address they would like to use to [revenuesandbenefits@leicester.gov.uk](mailto:revenuesandbenefits@leicester.gov.uk) titled 'E-Billing' quoting their name, address and Council Tax or Business Rates account number or apply by visiting the Council's website.

All bills include a statutory instalment plan and payments should be received by the Service prior to but no later than the payment due date.

Four different monthly payment dates are currently offered for both Council Tax and Business Rates, (1<sup>st</sup>, 10<sup>th</sup>, 20<sup>th</sup> and 28<sup>th</sup>). Ten or twelve instalments are given at the start of the financial year. The number of instalments reduces when adjusted or new bills are issued during the year.

Direct debit is the most efficient and preferred method of payment. Other payment options include paying online, at PayPoint outlets, by telephone, or in person at the Customer Service Centre.

### Recovery from Reminder to Summons

The Revenue & Customer Support Service has a strict timetable for recovery action.

At every opportunity during the recovery process, we will encourage you to engage with us in order to discuss and make a suitable payment arrangement and to avoid further recovery action which may include referral to bailiffs. This includes clearly warning customers at an early stage that further recovery action may be taken and additional costs incurred if they do not come to an earlier payment arrangement and subsequently maintain that arrangement.

Where appropriate we will direct you to seek benefits advice.

We will try to collect all debts owed where they are legally collectable, irrespective of the age of the debt, in order that we can maximise revenue to the Council and to be fair to those tax payers who have paid their taxes.

We will review the appropriateness of each recovery option based on what we know about your circumstances, your ability to pay, your past payment history and the requirement to recover outstanding monies in a timely and efficient manner.

We will regularly review accounts which are in arrears to ensure that they are subject to ongoing recovery which could include enforcement action.

## Reminders

If an instalment is not paid then a reminder will be sent. The reminder provides you with seven days in which to bring the account up to date by paying the overdue instalment.

Only one reminder is issued for Business Rates.

For Council Tax, a maximum of two reminders will be issued in any one financial year in accordance with legislation. A second reminder will only be issued if you comply in full with the terms of payment contained in the first reminder and subsequently fail to pay a further instalment by the due date.

If the terms of the reminder are not complied with, the balance remaining for the full year will become due and recovery action will proceed. All reminders will contain details of:

- Why the Reminder Notice has been sent
- How to make payment or contact the Revenues & Customer Support Service
- What happens if payment or contact is not made
- Where independent financial advice may be found

## Final Notices

For Council Tax, a final notice will be issued where two reminder notices have been issued for that financial year and you fall into arrears on a third occasion and the terms of the previous reminders have been complied with. In these circumstances, a final notice confirms that you have lost the right to pay by instalments and that the full balance due to the end of the year has become payable. A final notice will also be issued where there is no right to instalments or all instalments are due, e.g. previous years' debts. All final notices will contain details of:

- Why the final notice has been sent
- How to make payment or contact the Revenues & Customer Support Service if there is difficulty paying in full
- How to make a payment arrangement
- What happens if payment or contact is not made
- Where independent financial advice may be found

## Summons

A summons will be issued where payments are not made:

- To bring instalments up to date within seven days of a reminder
- In full within seven days of a final notice

A complaint will be made to the Magistrates' Court and a summons issued for you to appear in court on a specified date to show why you have not paid the outstanding sum. Additional summons costs will be added to the account on the service of the summons and must be paid together with the full Council Tax / Business Rates owed to prevent an application for a liability order being made at the hearing.

The Magistrates are limited in matters they would consider to be a valid defence against an application for a liability order and consequently you do not need to attend the Magistrates Court if you do not have a valid defence. All customers receiving a summons are however encouraged to contact us to discuss your arrears, particularly if payment cannot be made in full before the hearing date.

The summons will always be issued with a clear fourteen days between issue and the court hearing date.

If payment of the full amount of the summons is made, including costs, before the hearing date, you do not have to attend court and no application for a liability order will be made.

If a payment arrangement is made, which does not clear the balance before the hearing date, you do not have to attend court. However, an application will be made to the Magistrates for a liability order to be granted to secure the remaining debt and additional costs for the liability order will be added. Providing the payment arrangement is maintained then no further recovery action is taken.

## The Liability Order Hearing

At the court hearing the Prosecuting Officer on behalf of Leicester City Council must satisfy the Magistrates Court that:

- The correct procedures have been followed, that is, sending a bill, reminder and summons to the property or last known address. We only show that the documents have been issued and not that you have received these.
- You are liable for Council Tax or Business Rates and that the debt is outstanding.

The Prosecuting Officer will then make an application for a liability order together with liability order costs. The Magistrates may not grant a liability order if you can provide a valid defence, for example:

- We have not demanded the Council Tax or Business Rates as the law sets out
- You have already paid the amount on the summons
- You are not the person liable for Council Tax or Business Rates
- More than 6 years have passed since we sent a bill for the amount.

It is not a valid defence if you are unable to pay because:

- You have applied for Council Tax Reduction (CTR) and are waiting to hear
- You have appealed to the Valuation Tribunal against your Council Tax valuation band, Business Rates valuation or Council Tax Reduction Scheme decision

If the Magistrates are satisfied with the evidence presented, they must grant a liability order which confirms that you are liable to pay Council Tax or Business Rates but have not done so in accordance with the law.

The liability order gives us the power to recover the outstanding debt using a number of methods.

## Recovery Following a Liability Order

We will choose the appropriate recovery option based on what we know about your circumstances, your ability to pay, your past payment history and the requirement to recover outstanding monies in a timely and efficient manner.

Wherever possible we will aim to clear outstanding Council Tax / Business Rates within the financial year it becomes due.

With the exception of proceedings for failure to provide financial information, we will pursue only one recovery option at any one time for an individual liability order.

## Payment Arrangements

Providing the account has not already been selected for an alternative method of recovery detailed in the sections below, we will still consider a payment arrangement.

When agreeing an arrangement for payment we will always ask that you pay an amount equal to the current year's liability, plus an affordable amount in respect of any arrears. This ensures that you are able to maintain payments and prevents the overall debt from increasing. We will also ask for an upfront payment to show commitment to maintaining the arrangement. Where this is not possible due to a recent change in circumstances, such as loss of employment, a temporary arrangement will be made with an appropriate date for its review.

When making the arrangement we will also:

- Have proper consideration for your circumstances.
- Where we feel an offer of payment is too low we will provide clear reasons why we are rejecting the offer and indicate an amount that we believe is reasonable.
- Where appropriate, provide time for benefits and debt advice through referral to advice agencies, or if the agency informs us that you are receiving advice from them.
- Accept that, in some exceptional circumstances, no payment scheme is affordable. In these circumstances, the officers will encourage the customer to apply for Council Tax Discretionary Relief (CTDR)
- Respect and protect your rights at every stage of the recovery process.
- Recognise where you have other priority debts (e.g. mortgage arrears, rent arrears, utility debts, Income Tax and VAT), or debts owed to other Council departments, and ensure that a fair balance is reached between claims. In these circumstances, the officer will also offer an appointment with the advice agencies working with the Service.

## Attachment of Earnings (Council Tax Only)

We can instruct employers to make deductions directly from your wages or salary to recover Council Tax debt. The deduction amount depends on how much you earn and is set by law. We can instruct an employer to take deductions from a maximum of two liability orders simultaneously for each person responsible for the debt.

Where your income is low, an Attachment of Earnings Order may not be appropriate due to the level of deductions being insufficient to cover the ongoing charge. You are legally required to inform us within two weeks of any changes to your employment status.

## Deductions from Benefits (Council Tax Only)

We can request that the Department for Work and Pensions make deductions directly from your Income Support, Jobseekers Allowance, Employment Support Allowance, Pension Credit Guaranteed Credit or Universal Credit at a rate which is set annually. The money deducted is sent to us each month and continues until the Council Tax is paid in full, or benefit entitlement ceases.

Where you are not in receipt of sufficient CTRS, deductions from benefit may not be appropriate due to the level of deductions being insufficient to cover the ongoing charge.

You are legally required to inform us within two weeks of any changes to your benefit entitlement.



## Enforcement Action

We use external enforcement agents (bailiffs), who are on formal contracts, to collect debts.

**Review meetings are held to ensure recovery activity is carried out in accordance with our service level agreements and all aspects of legislation are met.**

We will instruct enforcement agents to collect outstanding Council Tax or Business Rates debt if you fail or refuse to make full payment or to make and maintain an arrangement for payment, and an Attachment of Earnings or Deduction from Benefit is either not possible or appropriate.

A letter giving fourteen days' notice of enforcement action will be issued for all Council Tax debt only. This will detail the additional costs involved and will give you the opportunity to pay in full or to make an arrangement for payment.

After fourteen days, a Compliance Notice will be issued by the enforcement agents for all debts and a fee will be charged. The Compliance Notice will give you seven clear days to pay the balance in full or to discuss a payment arrangement.

Thereafter, if the balance is not paid in full or a payment arrangement is not made or maintained, enforcement agents will visit and additional fees will be charged.

Should you be unable to pay the amount due in full immediately, the enforcement agent may agree a payment arrangement. This is covered by a 'controlled goods agreement'. This is where the enforcement agent records an inventory of goods that can be sold to repay the debt. You will be asked to sign the agreement which allows the enforcement agent to leave the goods with you. Providing payment is made as arranged, there are no further costs. If goods are subject to this agreement, you cannot move or dispose of them without the enforcement agent's permission. If you fail to sign the controlled goods agreement, pay as arranged or the enforcement agent believes the goods may be removed; arrangements may be made for the removal of goods by the bailiff. In these circumstances, Removal costs will become payable.

All fees associated with enforcement action at all stages of recovery will be charged in accordance with levels set out in legislation.

Any complaint regarding enforcement activity can be made to the Council. This will be investigated under our complaints procedure. Complaints can also be made to the enforcement agents directly.

## Other Recovery Options

### Bankruptcy

The decision to take bankruptcy action is a very serious one which we will only take having considered all other avenues of recovery. If the court declares you bankrupt it could result in you losing your home and possessions to pay the debt together with significant additional costs in respect of the bankruptcy.

We only pursue bankruptcy in cases where we believe non-payment is deliberate. As part of the consideration as to whether bankruptcy action is appropriate, we will consider overall debt position and equity, personal circumstances and the level of engagement including previous payment history and whether any reliefs/ reductions can be considered to reduce the overall outstanding

debt. Consideration will be made for council officers to meet you personally in all cases where bankruptcy proceedings are anticipated.

## Charging Orders

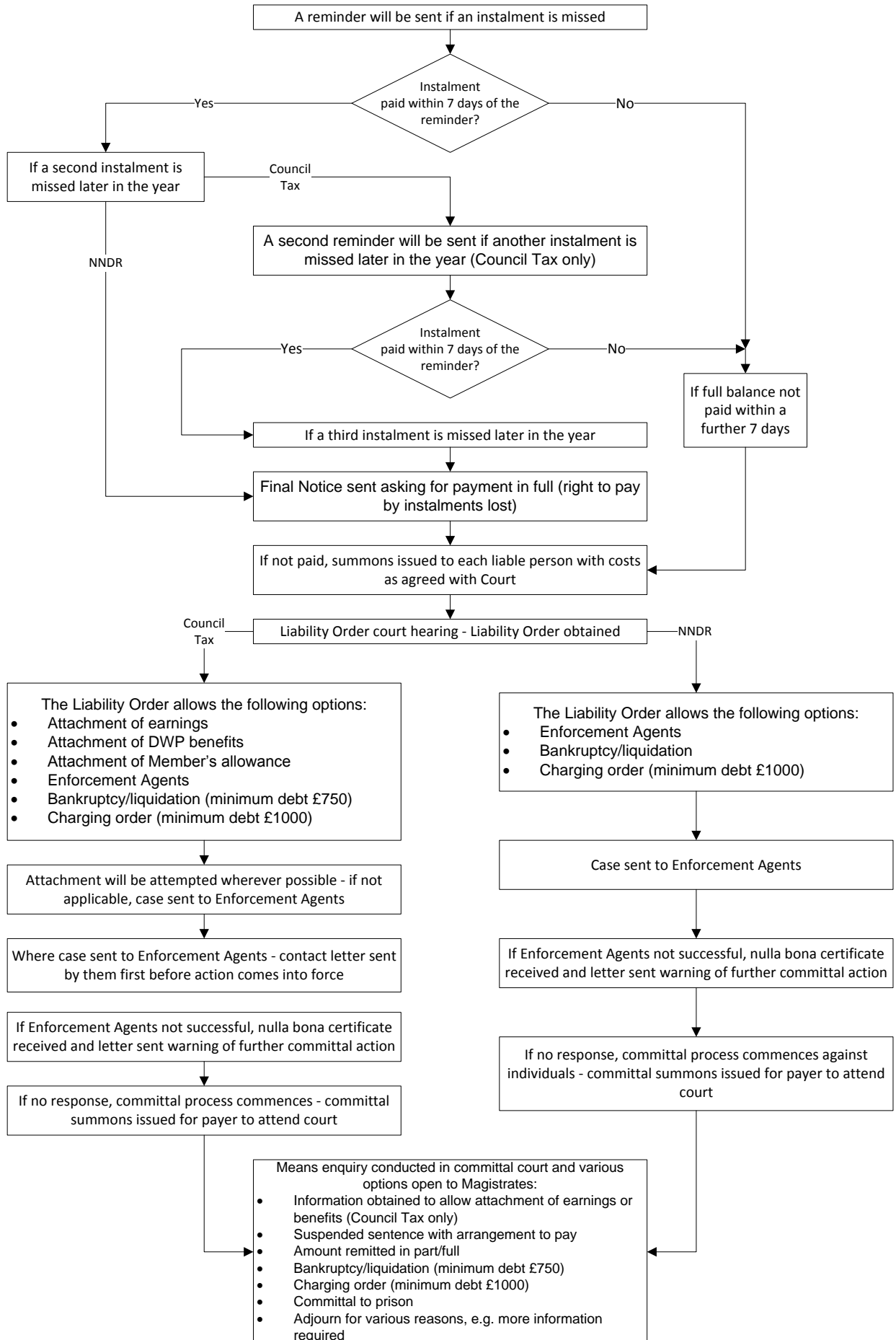
We can also ask the court to place a charge upon any land or property you may own. This means that when your land or property is sold, the proceeds of sale are used to clear the debt.

## Commitment to Prison

The decision to take committal action is a very serious one which we will only take having considered all other avenues of recovery. The action will incur substantial costs for us, which may not be recouped, particularly if you are sent to prison. Checks will be made to make sure that the reason for non-payment is due to wilful refusal or culpable neglect, with confirmation that enforcement agents have either been unsuccessful in removing goods or that no goods of sufficient value were available to clear the debt.

The Court has a number of options following the hearing, including issuing a suspended order, committal to prison or remitting part or all of the debt. If you are served with a summons to appear in court but fail to attend, an application will be made for the Court to issue a warrant for arrest with bail. This means that a Warrant Officer can enforce arrest and bail you to appear in court at a later date.

# Council Tax/NNDR Recovery Cycle



## **APPENDIX 2 - HOUSING**

### **Purpose and scope:**

This document is intended to be a brief summary of the Rent Arrears Policy and Procedure, to give information and guidance to tenants who find themselves in need of a clearer understanding of their position.

The intention is to explain the processes clearly to show the transparent nature of the work, rather than give a detailed analysis of the legislation, policies and procedures involved.

### **Communication and contact with us**

In order to make rent payment easier, several payment options have been made available; these include: direct debit; paying online, banker's standing orders; PayPoint; and telephone payment. Advice is available on alternative methods of payment online, and is also provided at the pre-tenancy/sign-up and subsequent interviews.

To assist you in managing your own rent accounts, a Statement of Account is sent to you on a bi-annual basis. In addition, you can at any time request a printed balance of your account that will show transactions for the previous ten weeks.

### **Confidentiality**

Members of staff must correctly identify the person to whom they are talking as the tenant, and this can be done either by the use of the tenant password facility, or by questions to establish identity.

Private interview facilities exist in all Area Housing Offices and other points of service delivery. In the case of home visits members of staff must identify themselves by the use of their Leicester City Council identity badge. They must gain your consent to talk, and ensure that privacy is maintained.

### **Arrears Actions**

Payment of rent is not a choice. An arrears action occurs when you fail to pay your rent that is due.

If you fail to pay your rent we will start recovery which may include: correspondence; telephone calls; home visits; referrals to specialist agencies; applications for direct payments from Department for Work & Pensions benefits; and in severe cases, the use of the legal process.

All letters and contacts with you will seek to recover the full balance of any arrears due and encourage you to contact the Income Management Team to discuss your account, whilst they offer advice and support in meeting their rent obligation.

If it is not possible to recover the full balance outstanding, we will seek to establish a realistic arrangement for the repayment of the arrears with due regard to your ability to pay.

Any contact with you will seek to establish the reason for non-payment, offer support to maximise income by claiming any benefit entitlements, offer support with budgeting and refer to specialist money/welfare benefits advisors as appropriate.

The consequences of continued non-payment and failure to comply with the arrangement made will be discussed. We will offer to confirm any rent arrears contact in writing and may in some circumstances do so as a matter of course.

## Possession Action

For persistent non-payment of rent, where all efforts to contact and establish payment has failed, we will use the legal processes available to take possession of the property and obtain a money judgment for the debt and associated costs.

Legal action taken will depend on the type of tenancy held; whether it is an Introductory or Secure tenancy.

- As a secure tenant, you can normally live in our property for the rest of your life, as long as you do not break any conditions of your tenancy.
- As an introductory tenant you are offered one of our properties on a 'trial' like period. This lasts normally for 12 months. If you do not break any conditions of your tenancy you will become a secure tenant.

For a Secure tenant, we would usually ask for a Suspended Possession Order, on terms that you keep to an agreed, realistic payment plan that will reduce the debt as quickly as is reasonably possible. If these terms are not maintained, or if an Outright Possession Order is granted, an application will be made for a Bailiff Warrant to evict you from the property.

For Introductory Tenancies, a Notice of Termination is served which brings the tenancy to an end. You do have the right to a Review Panel hearing before the Notice expires. If the Panel decide the Notice will stand, application is made to the Courts for a Mandatory Possession Order. Unless the Council has made a mistake, the Court must grant the Order. A Bailiff Warrant for eviction will then be sought.

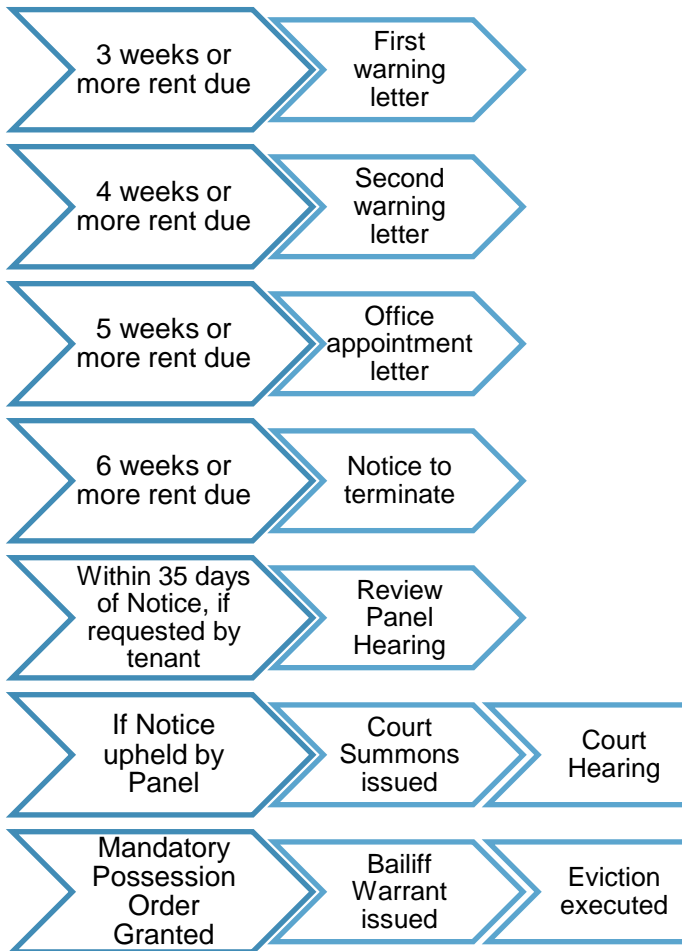
- A Review Panel consists of two or more independent managers familiar with housing law, local policies & practice. The Review Panel decides upon cases where you have broken the conditions of your introductory tenancy.

Whenever a Court action is taken for rent arrears, Court costs are incurred. These costs are currently £250 per action. A further £110 costs are added if a Bailiff Warrant is issued.

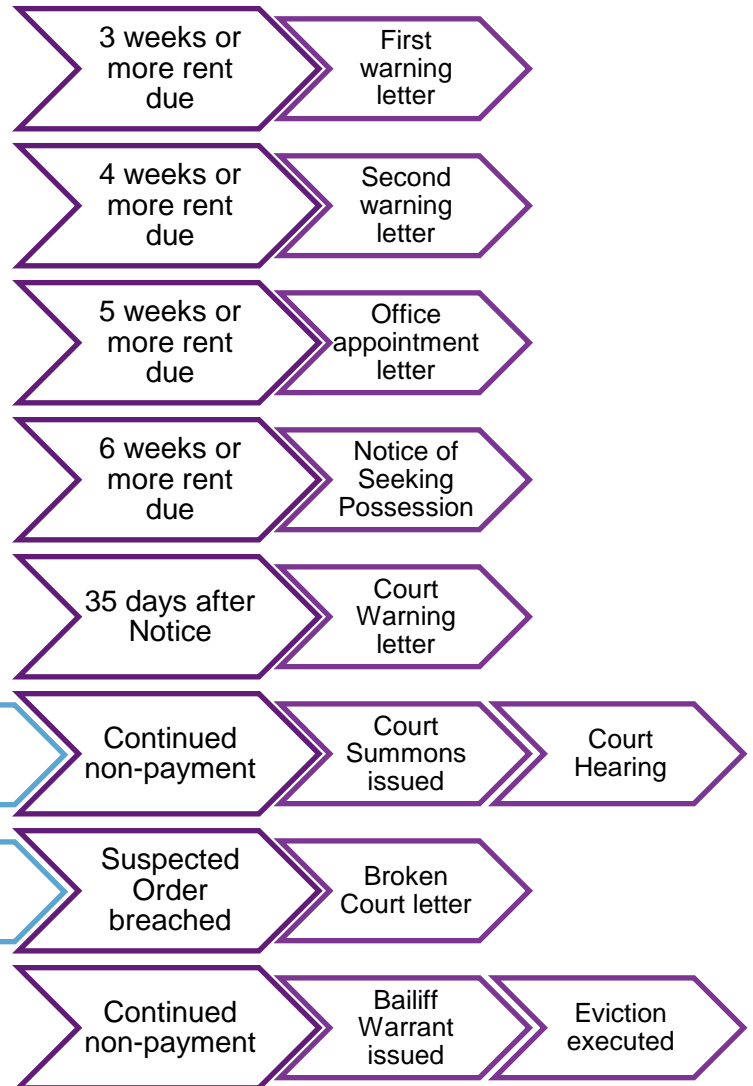
## Flow Charts

The flow charts below show the steps taken in the arrears process. For those on a low income; the weekly rent payable is an amount after help is afforded by the Housing Benefit scheme.

## Introductory Tenants



## Secure Tenants



## Other Information

Secure tenancies are regulated by the Housing Act, 1985:

<http://www.legislation.gov.uk/ukpga/1985/68/contents>

Introductory Tenancies are regulated by the Housing Act, 1996:

<http://www.legislation.gov.uk/ukpga/1996/52/contents>

In addition, social landlords must comply with the National Pre-Action Protocol:

<https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords>

## **Appendix 3 - PARKING SERVICES - PENALTY CHARGE NOTICES**

### Purpose and scope

Leicester City Council is responsible for the collection of all parking fines issued under Part 6 of the Traffic Management Act 2004.

A legal framework exists for the collection of these fines. Two types of notice may be issued;

- For parking contraventions (e.g. you parked in a bus lane) or
- For vehicles unlawfully driving in a bus lane

It is expected that customers pay for parking fines however, if customers are having difficulty paying then Leicester City council, as a reasonable authority, will agree a timescale for payment promptly. Our processes are outlined in the flow charts detailed below.

This is a civil debt and will be enforced when failure to make payment occurs through the County Court. If necessary we will refer to a bailiff to recover the amount outstanding. Further costs of £420.00 will be incurred.

A persistent offender or evader of parking fines is at risk of their vehicle being removed. Removing a vehicle incurs additional recovery costs.

### Communication and contact with us:

As this is a legal process we recommend communication is in writing. Please contact us at:

E mail: [parkingoffice@leicester.gov.uk](mailto:parkingoffice@leicester.gov.uk)

Telephone: 0116 454 6300

### **Or our postal address is:**

Penalty Charge Representations

PO Box 8459

Parking Services

Leicester City Council LE1 8AW

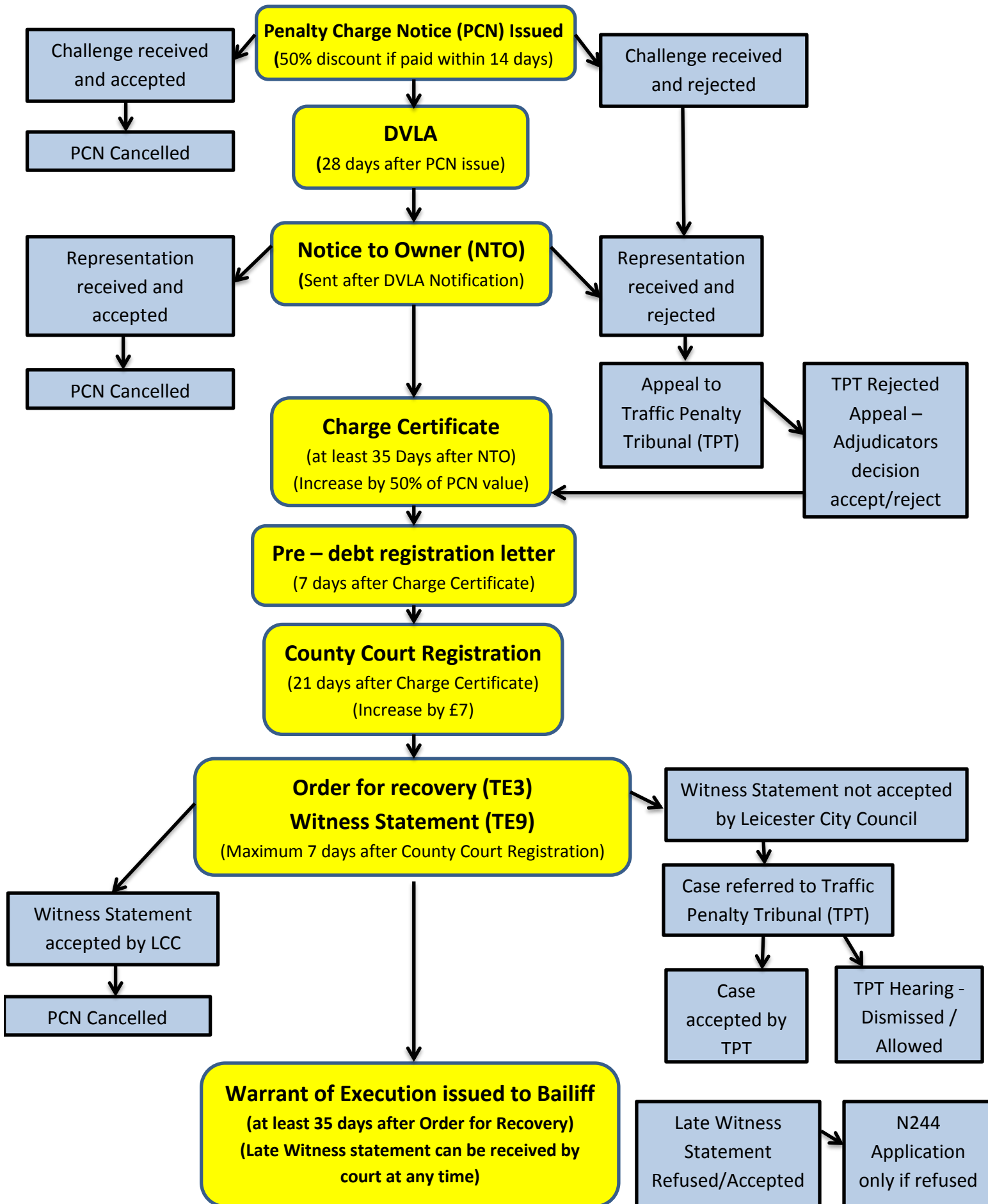
Please quote your name, address, telephone number, vehicle registration number and also the PCN number starting with LE

Useful contact details if you need to know more about parking fines:

<b>Northampton County Court</b> Telephone: 0300 123 1059 <a href="mailto:tec@hmcts.gsi.gov.uk">tec@hmcts.gsi.gov.uk</a>	<b>DVLA</b> Telephone: 0179 278 2351
<b>Traffic Penalty Tribunal</b> Telephone: 0162 544 5555 <a href="mailto:info@trafficpenaltytribunal.gov.uk">info@trafficpenaltytribunal.gov.uk</a>	<b>Department for Transport</b> <a href="https://www.gov.uk/government/.../traffic-management-act-2004-">https://www.gov.uk/government/.../traffic-management-act-2004-</a>

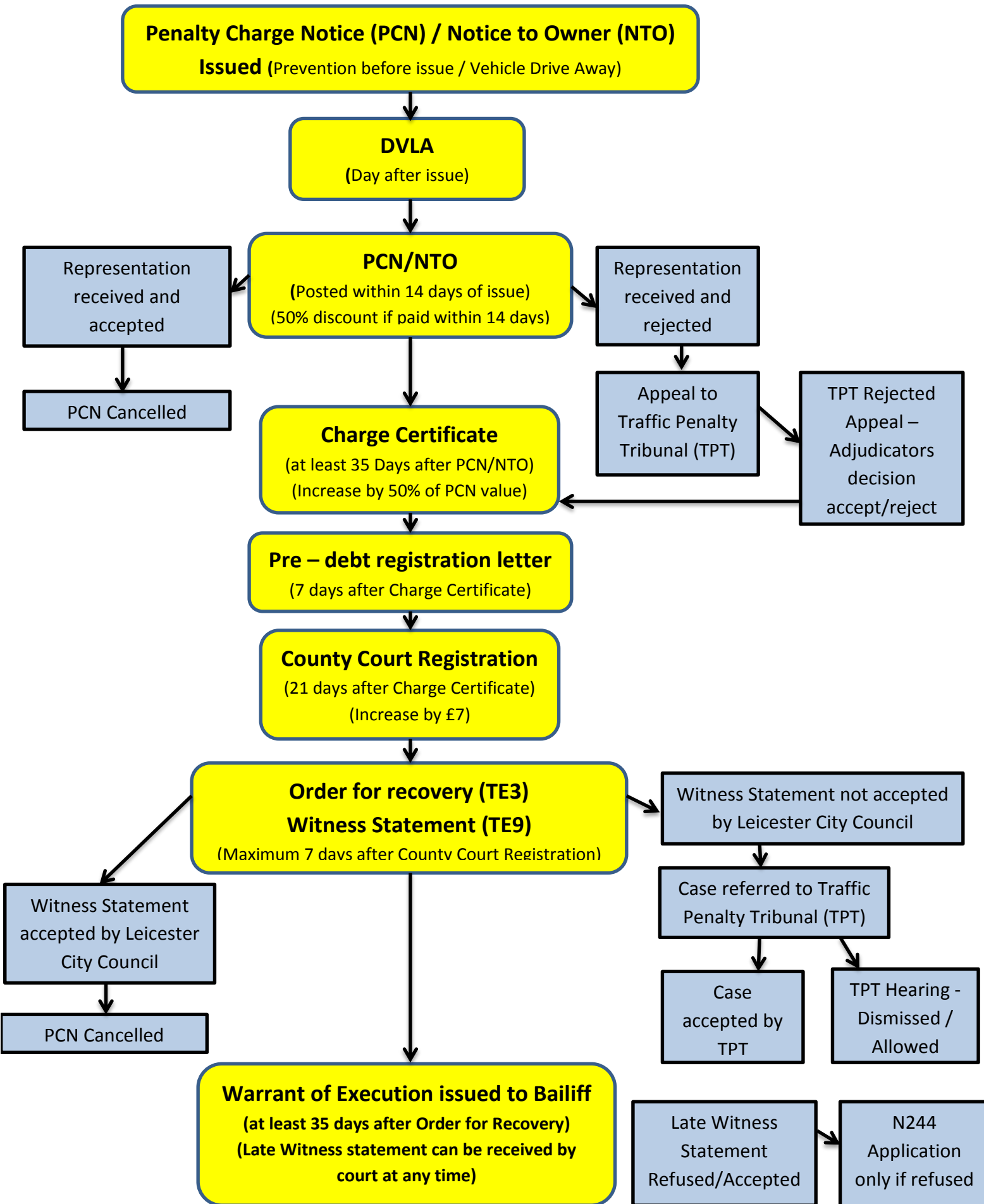
### Collection and recovery flow charts

# Penalty Charge Notice Process Chart – Parking Contraventions





# Penalty Charge Notice Process Chart – Unlawfully driving in a bus lane



## **APPENDIX 5 – BUSINESS SERVICE CENTRE – ALL OTHER DEBT**

### Purpose and scope

Types of debt covered: This appendix covers all other debt (e.g. commercial rent arrears, care costs for service users, repairs/maintenance to your Council property etc.).

### Communication and contact with us

Our preferred method of contact is email: [BSC@leicester.gov.uk](mailto:BSC@leicester.gov.uk)

Our secondary method of contact is telephone: 0116 454 1010

If you wish to contact us by post, our address is: Income Collection, Business Service Centre, Sovereign House, Leicester, LE1 6TR. **Please provide your unique reference number which can be found at the top of each invoice and reminder letter, starting with '2'.**

### e-Billing

Leicester City Council is committed to being environmentally friendly and will therefore offer e-billing where available to reduce our carbon footprint. e-Billing is our preferred method of invoicing and will make paying your invoice quicker and simpler.

### How the policy works in practice

- Each invoice details how you can pay and the various options for payment on the reverse.
- The council retains the right to refuse services and/or limit credit if payment is not made as instructed. For further information please see the flowchart below.

### Unable to pay some or all of your debt?

**Changes in financial circumstances:** If your financial circumstances change and you are unable to pay the money you owe us immediately we will negotiate an alternative repayment method and timeframe for payment. It will be necessary to complete an income and expenditure form in some cases; this helps us determine the right repayment option for your personal circumstances.

**Payment Plans:** A payment plan can be by negotiation or a calculation based on the information in your income and expenditure form. Where we have determined a suitable amount you can repay based on your personal circumstances; the default method of payment is direct debit. Late or missed payments will result in a cancellation of the payment plan and immediate recovery and enforcement of the full amount owed.

**Income and Expenditure Forms:** These forms enable us to calculate how much you can afford to pay to clear the debt. We ask for your bank account details and employment information to help us understand your financial position and assist in the recovery process. We can request that you complete further income and expenditure forms throughout the life of the payment plan; this allows us to review your financial circumstances. *Please note that we are able to check your details with third parties for accuracy; a false declaration on the income and expenditure form will result in the immediate recovery of the full amount owed.*

### Recovery/Court action

When recovery fails and we are not able to collect payment we will notify you in writing that we are going to place matters before the Court. If we seek Court actions interest and expenses we incur in attempting to recover the debt will also be incurred.

Those actions we will take include:

- **Bailiffs:** If payment is not made to the county/high court bailiff within 7 days the bailiff will visit your home or business to see if any of your belongings can be sold to clear the debt.
  - **Third party debt order:** The court will freeze any money you have in your bank or building society account or in a business account.
  - **Attachment to earnings:** The Court will send an order to your employer to make deductions directly from wages or salary to recover the debt.
  - **Prescribed benefit deductions.** The Council can request that the Department for Work and Pensions make deductions directly from a customer's Income Support, Jobseekers Allowance, Employment Support Allowance, Pension Credit Guaranteed Credit or Universal Credit. The money deducted from a social security benefit is paid directly to the Authority until the debt is paid in full, or benefit entitlement ceases. This is only for certain types of debt; typically housing benefit overpayments.
  - **Charging Order:** We can also ask the court to place a charge upon any land or property you may own. This means that when your land or property is sold, the proceeds of sale are used to clear the debt.
- 
- **PLEASE NOTE: That when the Council obtains a County Court Judgment (CCJ) following an action: this judgment is registered, as are any orders or fines. This stays on a register for 6 years. Banks and Loan companies use this information to decide whether to give you credit or a loan.**

### Legal Services' Recovery action

Legal Services will take action depending on the type of debt, but they typically include:

#### **Commercial rent and associated arrears:**

- A preliminary letter before action (unless circumstances dictate otherwise)
- The instruction of Certificated Bailiffs with a view to enforcing payment using the Commercial Rent Arrears Recovery (CRAR) process
- Forfeiture of the lease/tenancy and recovery of possession of the premises. This action may be by way of court proceedings or by peaceable re-entry

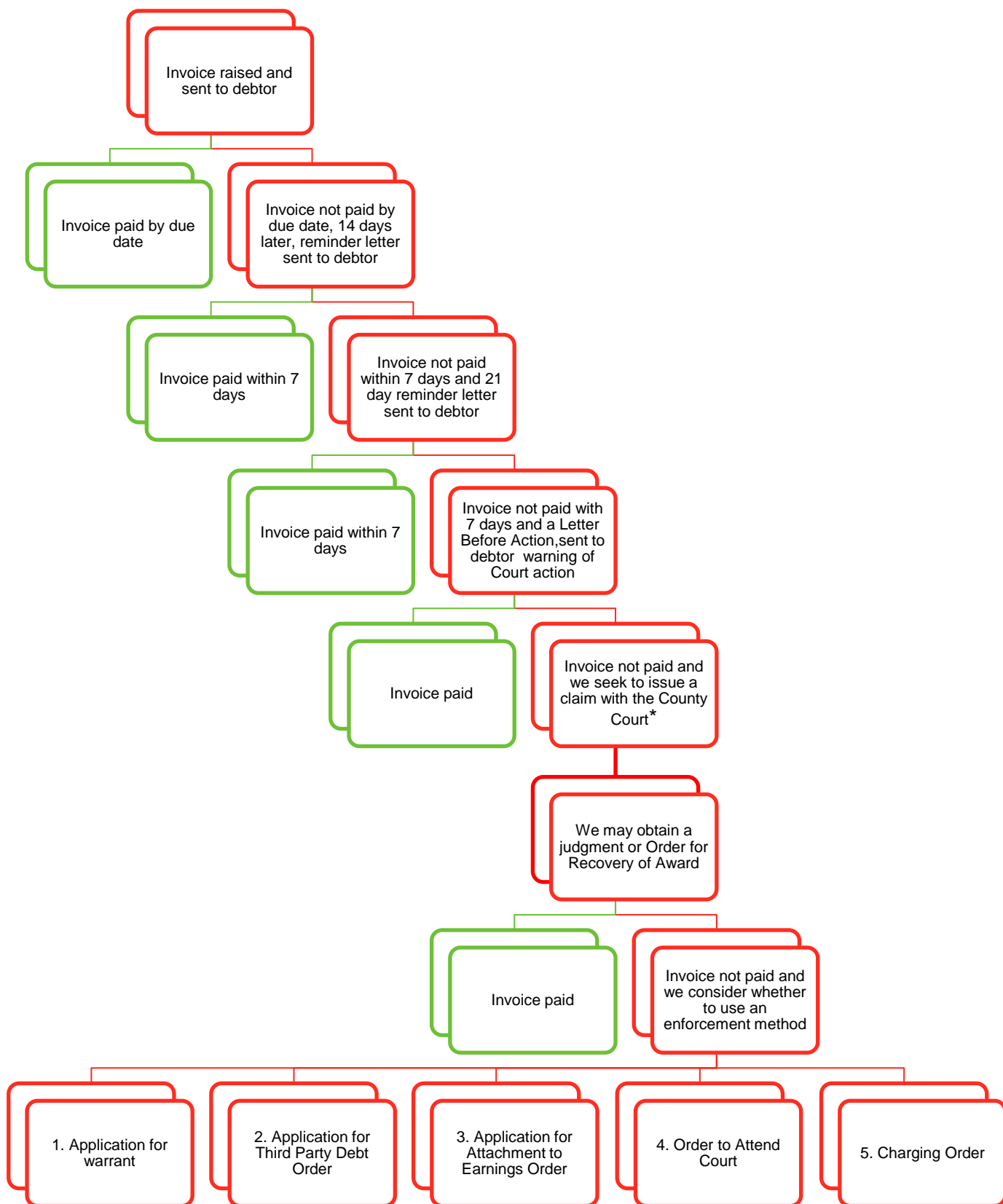
#### **Residential Care Home charges:**

- A preliminary letter before action
- Instigation of legal proceedings to obtain payment

#### **Service Charges on long leasehold residential properties:**

- A preliminary letter before action
- If the property is subject to a mortgage, we will inform the lender of the unpaid service charges and give them an opportunity to pay the debt. If the lender pays the debt, it will inevitably add this to the sum due under the mortgage
- Instigate legal action with a view to forfeiting the lease and recovering possession of the property

# Collection and recovery flow-chart



## **APPENDIX 6 - BUSINESS SERVICE CENTRE – ALL OTHER DEBT**

### ***Housing Benefit Overpayments***

#### Purpose and scope

Housing benefit is awarded to you, to help you pay your rent, when you have a low income. Leicester City Council is responsible for the collection of all Housing Benefit overpayments that is decided are recoverable from you; the Business Service Centre and Revenues & Customer Support Services work together to recover the monies you are overpaid.

#### Definition of a Housing Benefit Overpayment

An “**overpayment**” is any amount of housing benefit paid to you to which you were not entitled.

A “**fraudulent overpayment**” is an overpayment which has been designated as fraudulent following investigation and intervention by a designated Fraud Officer.

A “**recoverable overpayment**” is any overpayment of an award of Housing Benefit that you were not entitled to and there are no reasons why recovery should not be sought for you.

#### Causes of Overpaid Housing Benefit

- You fail to report a change in circumstances;
- You supply incorrect information;
- You fraudulently claim housing benefit;
- Leicester City Council delays in processing your change in circumstances

#### Unable to pay some or all of your housing benefit overpayment

Leicester City Council will recover this debt by any of the following methods:

- a) From your ongoing housing benefit, including a backdated award. The amount of deduction is a rate set annually, these standard rates can be increased if you are working by 50% of any earnings disregard you may receive.
- b) Where it is decided that your overpayment should be recovered from your landlord we will notify you and make arrangement to recover the debt from them, where the law allows us.
- c) If you move home to another council area and are in receipt of housing benefit we will ask that Council administering your housing benefit to make the deductions to recover what you owe.
- d) If you are not in receipt of housing benefit but receive a benefit payable via the Department for Work & Pensions we will also seek to recover this directly from your benefits. The DWP will send Leicester City Council monies they deduct from your benefit.
- e) If you are in work we can apply to your employer to deduct the housing benefit overpayment from your earnings. We do not need to apply for a court order to do so. Local Authorities were given these powers to collect money owed in Social Security (Overpayments & Recovery) Regulations 2013.

- f) If you do not pay in full or make an arrangement to pay, or we cannot collect by any of the above options we will invoice you.

If you fail to pay an invoice to Leicester City Council and we are not able to collect payment from you within an agreed period, we will notify you in writing that we are going to place matters before the Court.

If we seek Court actions; interest and expenses we incur in attempting to recover the debt will also be added to the amount owed. The Court can grant us an award.

You are not now able to challenge this overpayment. This should have been challenged when you were sent the original notification of the decision. The decision letter clearly stated the disputes and appeals process you would need to follow if you disagreed with the decision.

Court actions we will take include:

- **Bailiffs:** If payment is not made to the county/high court bailiff within 7 days the bailiff will visit your home or business to see if any of your belongings can be sold to clear the debt.
- **Third party debt order:** The court will freeze any money you have in your bank or building society account or in a business account.
- **Charging Order:** We can also ask the court to place a charge upon any land or property you may own. This means that when your land or property is sold, the proceeds of sale are used to clear the debt.
- **PLEASE NOTE: That when the Council obtains a County Court Judgment (CCJ) following an action: this judgment is registered, as are any orders or fines. This stays on a register for 6 years. Banks and Loan companies use this information to decide whether to give you credit or a loan.**

## APPENDIX 7 - DEBT SUPPORT AGENCIES

Free generalist advice about your debts can be obtained from:

<b>The Money Advice Service</b> 0116 454 1006	York House, Granby Street, Leicester LE1 6FB <a href="http://www.moneyadviceservice.org.uk">www.moneyadviceservice.org.uk</a>
<b>The Highfields Centre</b> (primarily Highlights & St Matthews residents) 0116 253 1053	96 Melbourne Road, Leicester LE2 0DS <a href="http://www.highfieldscentre.ac.uk">www.highfieldscentre.ac.uk</a>
<b>Somali Development Services</b> 0116 225 6222	39 Abingdon Road, Leicester LE2 1HA <a href="http://www.sds-ltd.org">www.sds-ltd.org</a>

Free specialist, tailored advice about your debts can be obtained from:

<b>Leicester Citizens Advice Bureau</b> 0300 330 1025 / 0844 417 1025	3rd Floor, 60 Charles Street LE1 1FB <a href="http://www.leicscab.org.uk">www.leicscab.org.uk</a>
<b>MoneyWise</b> (social housing tenants only) 0116 242 1153	York House, Granby Street, Leicester LE1 6FB <a href="http://www.getmoneywise.org.uk">www.getmoneywise.org.uk</a>
<b>Community Advice and Law Service</b> 0116 242 1120	3rd Floor, Epic House, Leicester LE1 3SH <a href="http://www.cals.uk.net">www.cals.uk.net</a>
<b>Trinity Money Advice</b> 0116 319 2636	Crescent House, Turner Street, Leicester LE1 6WY <a href="http://www.trinitymoneyadvice.org.uk">www.trinitymoneyadvice.org.uk</a>
<b>Christians Against Poverty</b> 0800 328 0006	10 Frog Island, Leicester LE3 5AG <a href="http://www.capuk.org">www.capuk.org</a>
<b>Saffron Resource Centre</b> (primarily Freeman, Eyres Monsell and Aylestone residents) 0116 283 7212	432 Saffron Lane, Leicester LE2 6SB <a href="http://www.srcentre.org.uk">www.srcentre.org.uk</a>