



Fair Collection and Debt Recovery Policy

‘GET IN TOUCH, NOT IN DEBT’

A Handbook for:

City of Lincoln and North Kesteven Council Staff and Members

Local Advice Workers

The Councils’ Collection Agents

Our Customers

Version 0.6
May 2024

Document control

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Revision	Originator of change	Date of change	Change description
Version.01	Becky Scott Simon Walters	10 November 2014	Paragraph 3.2 grammar change Priorities amended
Version.02	Alison Lewis	12 November 2014	Equality, Diversity and Human rights reference included in part 13 and 14
Version.03	Claire Moses	1 January 2015	
Version.04	Tracey Parker	1 June 2021	3.6 Amended how to access the business rates leaflet 3.9 Added Universal Credit as one of the benefits New recovery of NKDC housing debt added for the recovery of rent and fta. Changes to their policy were made in July 2020.
Version.05	Tracey Parker	22 May 2023	Removed reference to North Kesteven Sports Centre in North Hykeham – customers are no longer able to pay their Council Tax at this venue.
Version.06	Tracey Parker	3 May 2024	Added 'in the UK' into the definition of poverty. 1.3 put priority debts in red to more easily identify these. 3.5 Added a statement regarding Freeman on the Land.

Version.06	Tracey Parker	20 June 2024	Small amendment from 'housing benefit' to 'housing related benefit' and restructuring of a sentence in Section 13
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Distribution and training history

Details	Date

Foreword

City of Lincoln Council and North Kesteven District Council believe there is a need to ensure a collection and debt recovery policy that is fair to everyone, especially people on low incomes. The policy draws together procedures used by the relevant council departments and sets them out in clear language.

In developing the policy, officers have worked with various stakeholders to achieve the following purpose: -

- Develop a policy which can be referred to by City of Lincoln and North Kesteven staff and Members, local advice workers and the council's Collection Agents and customers

City of Lincoln and North Kesteven District Council have designed this document to help it achieve its corporate priorities:

City of Lincoln Council

- Let's drive inclusive economic growth
- Let's reduce all kinds of inequality
- Let's deliver quality housing
- Let's enhance our remarkable place
- Let's address the challenge of climate change

North Kesteven:

- To enhance the wellbeing, safety and health of all our communities; inspiring and supporting a sustainable
- To enhance the wellbeing, safety and health of all our communities; inspiring and supporting a sustainable and flourishing future.
- To meet the challenge of climate change, ensuring integration and delivery of the Climate Action Plan across all NK Plan priorities.
- To enable all of our communities to flourish from high quality employment growth and the opportunities of the Green Economy.
- To deliver sustainable housing growth and pursue energy efficient development to meet the current and emerging needs of all our communities. ○ To aspire to be a high performing, value for money Council that embraces the challenges and opportunities of the future.

It is intended that this Fair Collection and Debt Recovery Policy will be a 'living' document and subject to review from time to time, as required, to ensure it continues to encourage best practice in the field of local authority revenues collection and meets current legislative requirements. A full review of the policy shall be conducted at least once every three years.

The policy relates specifically to the collection of the forms of revenue shown below: -

- Council Tax
- Non-Domestic Rates (Business Rates)
- Business Improvement District Levy (Lincoln only)
- Housing Benefit Overpayments
- Sundry Debts administered by the Council's Revenues and Benefits team (Lincoln only)
- Former tenant arrears.

The Policy will be adopted by the Revenues and Benefits Shared Service. The Housing Teams within City of Lincoln and North Kesteven District Council have contributed to the policy for information only. This is provided in Sections 3.7, 12 and 13

1. Glossary

Throughout this document, we use several words or phrases that may have different meanings to different people. This section provides the definitions of some of those terms for the purpose of this policy.

1.1 Poverty

Throughout the period of development for this policy, the definition produced by Townsend P. (1979) cited by PSE UK (2013) *Deprivation and Poverty* has been used:

“Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities, and have the living conditions and amenities which are customary, or at least widely encouraged or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary patterns, customs and activities.”

There is an alternative definition of poverty based on household income below 60% of the median income in the UK, and whilst this can form the basis for measurement, in a period of intense recession (such as the one experienced in the UK since 2008) where income levels at best stagnate or at worst are falling, this can result in the median income level dropping and hence in statistical terms more people falling outside the definition of poverty. This cannot be right as these people still, in reality, remain in poverty, and continue to face all the challenges associated with low income.

1.2 Minimum Accepted Standard of Living

The means-tested benefits level is a simple and measurable indicator of how much someone needs to live on. However, we accept that this level is insufficient for a decent standard of living and it does not fully consider individual circumstances. The Councils therefore use this level as a minimum while allowing some flexibility for special costs or expenses that individuals or families may face.

1.3 Priority Debts

Priority debts are those where the action taken to collect them can result in the loss of an essential service, the home or even imprisonment.

The table below sets out the important debts that people may face, with priorities highlighted in bold red.

<u>Local Authority Debts</u>	<u>Utility Debts</u>	<u>Other Debts</u>
Council Tax arrears	Electricity	Mortgage arrears
Fines	Gas	Income Tax arrears
Rent arrears	Other Fuel	Secured Loans
Business Rate arrears	Water	VAT arrears
Sundry Debtors		National Insurance Contribution arrears
Benefit Overpayment		Court Fines
		Child Support arrears
		Hire Purchase
		Payday loans / door stop lenders
		Maintenance arrears
		Credit cards
		Overdrafts
		Logbook loans

1.4 Essential Spending

This is spending that we consider reasonable to prevent poverty as defined in paragraph 1.1 above. The items of expenditure that are considered essential will depend on the circumstances of the individual. These may include items like TV Licence payments, car insurance, petrol, and telephone costs.

1.5 The Common Financial Statement

The Common Financial Statement (CFS) is a budgeting tool that can be used by advice agencies and other third party organisation to make debt repayment offers to creditors on behalf of clients. It provides a detailed budgeting format enabling an accurate overview of a client's income, expenditure, and assets.

The statement has inbuilt pre-agreed levels of non-discretionary expenditure known as 'trigger figures'. There is a commitment from supporting creditors to the CFS principle

that offers made by independent money advisers will be accepted, if expenditure falls within trigger figures and the guidelines have been followed.

2. Introducing our Fair Collection and Debt Recovery Policy

This policy handbook will help:

- Council staff to follow an agreed process.
- Council Members to understand the agreed process.
- Advice workers to tell people about our procedures, and make sure we keep to them.
- The Councils' Enforcement agents for collection of Council Tax, Business Rates and Housing Benefit debt understand and follow our procedures to ensure a professional, consistent, and timely approach to the recovery of City of Lincoln and North Kesteven's revenues; and
- Our customers get out and stay out of debt.
- Encompass a partnership approach when dealing with over-indebtedness, improving communication and transparency between creditors and third-party organisations negotiating on behalf of clients.

2.1 The Revenues and Benefits Service aims to: -

- Help prevent debts from mounting up – for example, by giving advice to people to help them make the most of their incomes and offering different payment methods.
- Take action against deliberate non-payers or those who delay payment without good reason.
- Make sure we make early contact when problems arise, to avoid debts increasing.
- Encourage our customers to contact us as soon as they have a problem with payments.

- Work with people in debt, or at risk of getting into debt, to set payments they can afford and sustain.
- Make sure that all parts of the Revenues and Benefits section work the same way on billing, reliefs, benefits and multiple debts.
- Consider our customers' other debts and outgoings when agreeing payment arrangements.
- Provide a framework for the cost-effective pursuance of all debts owed ensuring that where practical those with means to pay do pay.
- Treat individuals consistently and fairly regardless of age, religion or belief, sex, gender, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race and sexual orientation.

2.2 Making Our Policy Effective

We know that for our policy to work, we must:

- Send clear and accurate information quickly.
- Respond to changes in our customers' circumstances as soon as we are told about them.
- Work out and pay benefits quickly and accurately; and
- Make sure people pay as agreed, and take action if they do not.

3. The Benefits of our Fair Collection and Debt Recovery Policy

We believe our policy will:

- Help people in debt set up payments they can afford.

- Make sure the action we take over non-payment is appropriate to the individual.
- Let people know they can talk to us so that they are more likely to contact us when they first have problems.
- Help reduce the burden of debt by providing advice and signposting to other advice agencies.
- Let people change their payments if they need to, allowing flexibility with payments where necessary; and
- Identify the difference between those who 'Can't Pay' and those who 'Won't Pay' and take appropriate action.

3.1 Statement of Principles for our Fair Collection and Debt Recovery Policy

At City of Lincoln Council and North Kesteven District Council we:

- Believe people must pay what they owe.
- Will stay in touch with customers until their debts are paid.
- Want to help people make the most of their money.
- Will provide clear, accurate and prompt bills and information about amounts that are due.
- Will provide a service that works and considers peoples' needs; and
- Know we must collect money effectively.

3.2 When People Get into Debt, We Will:

- Contact our customer as soon as possible.
- Endeavour to make payment arrangements that are affordable taking into account of the number and value of the debts.
- Take no further action if agreed payments are being made on time.
- Respect the needs of the person in debt and their family responsibilities.
- Put priority debts (see Glossary) first.
- Work with advice workers and consider offers they make on behalf of our customers; and

- Provide a named contact within the Revenues and Benefits Recovery Team for advice workers to discuss individual cases.

3.3 Our Duty to Collect and Recover

We have a duty to all residents to ensure cost-effective billing, collection, and recovery of all money due to the Council.

We know people do not pay for many reasons:

- Some people may fail to pay or forget to pay because of personal difficulties. We will try to help these people by encouraging them to tell us about their problems so we can help find ways they can pay. Where necessary we will refer them to specialist welfare team.
- Some people may fail to pay or make late payments on purpose. In these cases, we will take action to try to obtain payment; and
- Some people may not seek help. We will try to identify these customers as early as possible and give support and guidance.

It is vital to stay in touch. If people do not, we might take action that could otherwise be avoided. When a customer contacts us, we will aim to agree fair payments.

This Customer Charter tells our customers what to expect from us - we will aim to:

- Provide a polite and courteous service.
- Use plain language.
- Be welcoming, fair and professional in our approach.
- Be accessible to all our customers.
- Respond to all customer complaints and comments and use them to improve our service to others.
- Provide up to date and accurate information and advice at all times.
- Be accessible to all the people of the Districts.

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- Provide a fair and unbiased service.
Supply most information in accessible formats and languages when requested.
- Take responsibility if we get things wrong and apologise.
- Improve customer service.
- Improve communication and information.
- Constantly improve performance; and
- Monitor, manage and report performance.

3.4 Information

When people contact us, we will if relevant:

- Check if they should be paying less or nothing at all;
- Check if all the benefits, discounts, reliefs, exemptions and rebates are being claimed.
- Tell them about all the payment methods; and
- Tell them about our own Money Advice services and those provided by other organisations such as the Citizens Advice Bureau.

We will let people know quickly and clearly what they owe the Council. The information we provide will show:

- Why money is owed to us.
- How much is owed.
- How, when and where to pay.
- Who to contact in the case of a query; and,
- Appeal rights, if applicable.

We will use plain language and help people find advice if they need it.

3.5 Extra information about Council Tax

All annual bills will be issued at least 14 days before 1st April each year. An information document will be available on the website and will provide information about the budgets and spending plans of the City of Lincoln Council, North Kesteven District Council, Lincolnshire County Council, and the Lincolnshire Police Authority. The document outlines some of the key achievements of each authority over the previous year and plans for the coming year. It also gives information about reductions in Council Tax and how to apply for them.

'Freeman on the Land'

The Freeman on the Land movement and similar groups commonly believe that people are only bound by the contracts and laws they have consented to. However, contract law and alleged rights under common law are not the same as legislation relating to the administration and collection of council tax.

You do not have a choice as to whether you are liable for council tax and being a 'freeman' does not exempt anyone from paying council tax.

In the UK, liability for council tax is determined by the Local Government Finance Act 1992. This statute, created by a democratically elected Parliament of the United Kingdom which has received the assent of the Crown and subsequent statutory regulations, sets out a local authority's rights to demand council tax to fund services and who is liable to pay.

For further details please see the following websites –

Lincoln

<https://www.lincoln.gov.uk/homepage/6/council-tax>

North Kesteven

<https://www.n-kesteven.gov.uk/council-tax/information-about-council-tax/freeman-land>

3.6 Extra Information about Business Rates

A leaflet is available on our website which tells Business Rates payers how their charge is calculated and how it is affected by 'transitional arrangements' if this is applicable. The

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leaflet also gives information about some of the reductions from rates that are available in certain circumstances.

Information about all types of rate relief and reductions is available on the Council's websites.

3.7 Extra Information about Housing Rents

City of Lincoln	North Kesteven
We will send each tenant a rent statement every year	We will give new tenants advice on paying rent and claiming benefits and send rent statements every quarter
We will give each tenant a handbook with an information pack that includes information about rent payments and where to obtain independent advice if the tenant is having difficulty paying their rent.	We will give each tenant a handbook with an information pack that includes information about rent payments and where to obtain independent advice if the tenant is having difficulty paying their rent.
<p>A series of 'Keyfacts' guidance leaflets are available from City Hall. The main areas covered include:</p> <ul style="list-style-type: none"> • An general tenancy guide; • Paying your rent • Reporting repairs; • Anti-social behaviour and harassment; • Gas servicing and safety 	We will tell each tenant who to contact if they have problems, or have a question on anything regarding their tenancy, home or community.
The leaflets are available in other formats – including large print	A Benefit Health Check is available when tenants have problems getting benefits
We will make it easy for members of the public to contact us. We have telephone help lines and our main office is open during normal office hours	We will make it easy for members of the public to contact us. We have telephone help lines and our main office is open during normal office hours. We are accessible by email, or online forms on our website. We also have some outlying offices to improve access for all.

3.8 Extra Information about Housing Benefit Overpayments and excess Council Tax Support

An information leaflet about Housing Benefit overpayments and excess Council Tax Support is available from the Customer Services team at City Hall, telephone number (01522) 873355.

3.9 The Councils Promise

The Revenues and Benefits Service will:

- Do everything we can to help our residents to make the most of their incomes and reduce their debts before they become a problem by agreeing reasonable arrangements and avoiding court costs where appropriate.
- Make sure information is available in a variety of easily accessible ways.
- Ensure that accurate bills are issued at the right time.
- Tell people about Council Tax discounts, reliefs, disability reductions, exemptions and second adult rebate.
- Let people know about income-related benefits such as income-based Universal Credit, Job Seekers Allowance, Income Support, Employment and Support Allowance, Pension Credits, Tax Credits, Housing Benefit and Council Tax Support.;
- Check if people are entitled to any other benefits or sources of income, and encourage them to claim where applicable;
- Provide high quality, impartial welfare benefits advice, promoting the availability of welfare benefits and maximising out customers' entitlements;
- Provide information and advice at various locations through the districts; and
- Make sure staff who deal with the public know where to refer people to get advice.

4. Making Payments

We will provide a variety of easy ways to pay. We know the easier it is to pay, the more likely it is that people will do so. We will give full details of the different ways to pay on each bill.

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We will try, wherever possible, to prevent people having to spend more money or travel just to pay bills. In order to reduce the cost to the Councils and, therefore, local taxpayers, the most cost effective methods of payment will be encouraged. For most bills this will be Direct Debit because it is, by far, the most economical method available. It is also very reliable, easy to set up and cancel, and is backed by a refund guarantee. It is also the cheapest and most convenient method of payment for the customer. Where direct debit is not available the preferred method of payment will be on-line by debit or credit card.

4.1 How and Where You Can Pay

The information below shows you how and where you can make your payments for the Revenues and Benefits Section

How you can pay	Where you can pay
<p>Direct Debit</p> <p>Lincoln on either the 1st, 8th, 15th, 22nd or 29th of the month</p> <p>North Kesteven on either the 1st, 8th, 15, 23rd or 28th of the month</p>	<p>Call the Council Tax team with your bank details and preferred payment date.</p> <p>Lincoln: 01522 873355</p> <p>North Kesteven: 01529 308266</p> <p>Or complete an online direct debit form on our website –</p> <p>Lincoln https://www.lincoln.gov.uk/online/pay-council-tax-direct-debit</p> <p>North Kesteven https://www.n-kesteven.gov.uk/council-tax/pay-your-council-tax</p>
<p>Online via the Council's website by debit or credit card</p>	<p>Lincoln – https://www.lincoln.gov.uk/online/pay-council-tax-online/1</p> <p>North Kesteven https://www.n-kesteven.gov.uk/council-tax/pay-your-council-tax</p>
<p>For Lincoln customers</p> <p>Call the automated telephone payment line: 01522 873666</p> <p>You will need one of the following cards – Visa, Visa Debit, Delta, Connect, Mastercard, Mastercard Debit, Maestro or JCB</p>	<p>For North Kesteven customers</p> <p>Call the automated telephone payment line: 01529 308180</p> <p>You will need one of the following cards – Visa, Visa Debit, Delta, Connect, Mastercard, Mastercard Debit, Maestro or JCB</p>

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At a bank

City of Lincoln Customers - you will need the following bank details: -

Sort Code: 30-95-05
Account Number: 00214663
Account Name: City of Lincoln Receipts Account

North Kesteven District Council Customers – you will need the following bank details :

Sort Code: 57-02-50
Account Number: 00000000
Account Name : North Kesteven Receipts Account

Plastic Payment Card	At Post Offices or Paypoint outlets
At a Post Office	Including Trans Cash (Fee payable)
Standing order Don't forget to quote your council tax account number	Lincoln Use our bank details above to set up a standing order with your bank North Kesteven Use our bank details above to set up a standing order with your bank

4.2 Where you can pay

North Kesteven District Council Offices:

Kesteven Street
Sleaford
NG34 7EF

(We do not accept cash payments at any of our offices)

Metheringham Infolinks:

15A High Street
Metheringham
Lincoln
LN4 3DZ

Tel: 01526 323100

Opening Hours:

Mon, Thurs, Fri: 9am to 1pm

(Money Advice Officer in attendance 9am to 11am only)

(We do not accept cash payments at any of our offices)

4.3 Frequency of Payment

Council Tax / Business Rates – Most people pay over 10 or 12 monthly instalments between April and March.

People who opt to pay their Council Tax by direct debit have a choice of five payment dates within a month, Payments can be made over ten instalments, or extended through to March. Dates available are: -

Lincoln: 1st, 8th, 15th, 22nd or 29th of the month

North Kesteven: 1st, 8th, 15th, 23rd or 28th of the month

Business Rate direct debit payers have the choice of the following dates:

Lincoln: 1st, 8th, 15th or 22nd of the month.

North Kesteven: 1st, 8th, 15th, 23rd or 28th of the month.

Other Council Debts - Other Council debts are due on demand, but where an account is ongoing such as Commercial Rent, people can pay by monthly instalments or by standing order.

Customers must pay on time. We cannot stress enough the need to let us know if there is a problem.

When people contact us, we will:

- Check if they should be paying less or nothing at all;
- Check if all the benefits, discounts, reliefs, exemptions and rebates are being claimed;
- Tell them about all the payment methods;
- Tell them about independent advice; and
- Update information on the customer's file to help us manage the debt effectively.

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5. Council Tax Recovery – What We Do

It is important for us to collect the Council Tax that is due to us. This is because it helps pay for the services provided by City of Lincoln Council and North Kesteven District Council and also those provided by the Lincolnshire County Council and the Lincolnshire Police Authority.

Council Tax may be just one of many debts a person has. Managing arrears effectively involves good liaison with other key organisations including our own Benefits and Housing Services, Landlords, Advice Agencies, the Department for Work and Pensions and Her Majesty's Revenues and Customs.

We will always encourage people to get in touch with us straight away if they have any difficulties in making their Council Tax payments. Early contact is very important to try to avoid unnecessary legal action that can increase the amount of money owed and whilst active discussions are taking place, a hold on the account will be considered for a minimum of 14 days and maximum of 30 days.

Generally, we will use the following process to recover unpaid Council Tax:

- We will always send a bill setting out what is due and when payments are to be made;

If a payment is missed we will send a reminder which will state that payments must be brought up to date within 7 days, with an option under certain circumstances to pay by direct debit;

- If the instalment is paid within 7 days of the issue of the reminder, the right to pay by instalments can continue;
- If, in that same financial year, a second instalment is not paid, the above process is repeated;
- If the outstanding payment on a first or second reminder remains unpaid, the right to pay by instalments is lost and the whole remaining balance for the financial year becomes due within a further 7 days;
- The right to pay by instalments is also lost if a third instalment is not paid within a financial year or when the Council Tax is closed and a balance remains

outstanding. In these cases we will issue a final notice for the whole outstanding balance

- If the whole remaining balance is not paid within the 7 days we will apply to the Magistrates Court for the issue of a Summons, and court costs will be added to the bill;
- We will then send a Summons, on behalf of the Court, asking for full payment to be made before the date of the court hearing. A letter is sent with the summons explaining why the summons has been sent and the consequences of not paying and what will happen. The summons will have an instalment plan which if the customer pays the first instalment before the Court hearing date they do not need to contact the department. The instalment plan will continue unless the customer defaults.
- If a person disputes the Summons, they should contact our Recovery Team and we will try to resolve the matter.
- If the person still disagrees, they can attend the Magistrates Court on the day of the hearing to say why they have not paid.
- We will ask the Court to grant a Liability Order for each unpaid summons and if the Order is granted, more costs will be added to the bill.
- The Liability Order gives us the power to obtain information about the financial circumstances of the person owing money and details about their employment.
- The Liability Order allows us to obtain payment in a number of ways;
- Deductions taken directly from wages;
- Deductions taken from Income Support or Jobseekers Allowance;
- Use of Enforcement agents;
- By applying to the County Court for a Charging Order, which would pay the amount owed when the property is sold;
- A petition for bankruptcy;
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- Committal to prison.
- Where we do not have benefit or employment details, and the customer fails to contact or make an arrangement, the Liability Order is automatically passed to the Enforcement Agent.
- During the Council Tax recovery process we will always endeavour to take into account a person's circumstances and ability to pay. Where circumstances change, we will adjust payment arrangements to take account of this.

6. Business Rates / BID Recovery – What We Do

If a payment is missed, we will send a reminder requesting payment within 7 days, with an option under certain circumstances to pay by direct debit.

- If the outstanding amount remains unpaid, the right to pay by instalments is lost and the whole remaining balance for the financial year becomes due within a further 7 days. If the instalment is paid within 7 days of the reminder, the right to pay by instalments can continue.
- If the right to pay by instalments is lost and the whole remaining balance is not paid within a further 7 days, we will apply to the Magistrates Court for the issue of a Summons and court costs will be added to the bill.
- We will then send a Summons, on behalf of the Court, asking for full payment before the date of the court hearing. If the ratepayer disputes the Summons, they should contact our Business Rates Section and we will try to resolve the matter. A letter is sent with the summons explaining why the summons has been sent and the consequences of not paying and what will happen. The summons for Business Rates will have an instalment plan which if the customer pays the first instalment before the Court hearing date they do not need to contact the department and the instalment plan will continue unless the customer defaults

If the ratepayer still disagrees, they can attend the Magistrates Court on the day of the hearing to say why they have not paid.

- We will ask the Court to issue a Liability Order for each unpaid summons and if the Order is granted, further costs will be added to the bill.

- During the Business Rates / BIDS recovery process we will endeavour to take into account a ratepayer's circumstances and ability to pay. Where circumstances change, we will adjust payment arrangements to take account of this.

7. Recovery of Housing Benefit Overpayment and excess Council Tax Support

Housing Benefit and Council Tax Support is paid to help people who are liable to pay their rent and/or Council Tax.

Overpayments and excess payments may happen because:

- We have the wrong information about a claimant's income or circumstances;
- There is a delay in us finding out about changes in circumstances;
- Some benefits are paid in advance, so when we know about a change it may be too late to alter the amount paid; or
- We make an error when assessing a claim.

In most cases, if changes are reported quickly, overpayments and excess payments can be avoided or reduced. We may need to stop payments until we work out the correct benefit, and we will do this as quickly as we can.

7.1 Notification of Decisions

We must write to the claimant or the person acting for them, telling them:

- Why the excess/overpayment has happened;
- That we may recover the excess/overpayment;
- Who needs to repay the excess/overpayment;
- How much has been overpaid and how we have worked this out;
- The period the excess/overpayment covers;
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- How we will recover the excess/overpayment;
- The right to appeal against our decision; and
- We will also tell them if we change our decision.

7.2 Who We Can Recover Overpaid Benefit and Excess Support From

Overpayments and excess payments can be recovered from:

- The claimant;
- The partner of the claimant (if they were the claimant's partner at the time of the excess/overpayment occurring)
- Someone acting on behalf of the claimant if they cannot act for themselves;
- Someone who supplies false information; or
- Whoever received payment – for example a landlord or agent.

We will decide who should repay the money and tell the claimant and anyone else affected. If a landlord or agent fails to repay, we may refuse to pay benefits to them in the future and whilst active discussions are taking place, a hold on the account will be considered for a minimum of 14 days and maximum of 30 days.

When deciding who will repay, we will consider:

- Why the excess/overpayment was made;
- Who gave wrong information and whether they did it on purpose;
- Who should have realised too much money was being paid, or told us about any changes, but did not;
- Who the benefit/support was paid to;

Who told us the excess/overpayment was being made; and

- The most suitable way we can recover the money.

Housing Benefit overpayments and Council Tax Support excess payments are recoverable unless we have made a mistake and it would be unreasonable to expect the

claimant to realise this. We will tell the claimant about their right to appeal against any decision we make about a benefit overpayment.

We may decide not to recover the money if:

- The person cannot afford to repay the money as it would cause extreme hardship;
- The person has died and the assets in the estate cannot cover the debt; or
- The person's individual circumstances persuade us that recovery would be unreasonable.

We can recover debts we have previously written off if circumstances change.

7.3 Methods of Recovery

Excess Council Tax Support will be added to the person's Council Tax bill. Non-payment will lead to the usual Council Tax recovery process (see pages 18 to 20).

Overpayment of Housing Benefit will be recovered in one or more of the following ways:

- Ongoing deductions from future Housing Benefit payments;
- Deduction from any lump-sum arrears of Housing Benefit due to be paid;
- Ongoing deduction from Department for Work and Pensions benefits;
- Deduction from a credit balance on a council tenant's rent account;
- Ongoing deductions from Housing Benefit payments made to landlords and agents; or
- Issuing of an invoice where no other methods are suitable. If the person cannot pay the invoice in full, they should contact us to arrange to discuss paying by
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instalments.

If a person does not pay their bill, and either does not contact us or does not keep to an arrangement they have made, we may:

- Ask a Collection Agent to collect the amount owed; or
- Take County Court action to collect the amount owed
- Set up an attachment of earnings or benefits

If we obtain a County Court judgement we can ask the court to:

- Use a Collection Agent to seize goods; or
- Recover the money from bank accounts;

If we use the County Court we will add the Court fees we incur to the amount owed and the customer will be liable for the interest on the unpaid debt.

When we decide how to recover the money, we will consider:

- The amount of the excess/overpayment;
- How long it will take to repay;
- What caused the excess/overpayment;
- Any previous excess/overpayments and what caused them;
- The need to prevent future excess/overpayment
- Who will be repaying the excess/overpayment
- Whether the person repaying the money can afford it, and if so what they can afford to pay; and
- If the person is entitled to any other benefits to help them repay the amount owed.

8. Recovery of Other Council Debts

Where payments are due for other Council debts, we will:

- Send an invoice showing the amount owed and how to pay.
- If no payment is received, we will send a reminder asking for the debt to be paid.
- If we do not receive a payment, we will send a second reminder.
- At any point, accept payment in full or consider an arrangement.
- Send a letter to the person telling them the amount owing is being passed to a collection agent, if it remains unpaid.
- Consider issuing a summons in the County Court if the collection agent is unable to collect the amount owing.
- Collect payment in the most suitable way, for example;
- Payment arrangements;
- Deductions from earnings; or
- County Court action.

9. Advice and Support

We will talk to people who owe us money and/or their advisors and will try to agree fair repayment plans.

We encourage people to seek independent advice about their rights, managing their money and debts. The local Citizens Advice Bureau offer a comprehensive advice

service and we also have an in-house welfare team who act independently under the Community Money Advice organisation to act on behalf of individual customers.

9.1 Making Arrangements for People in Arrears

We will:

- Try to contact people as soon as possible;
- Prioritise debts (see Glossary on pages 3 and 4);
- Agree payments that take into account the date a person receives income, and how often;
- Have a robust decision making process which will link the level of debt against the income available – making use of the attachment of earnings / attachment of benefits thresholds
- Make sure the person understands that they must pay any current instalments, as well as payments for arrears;
- Where a person appears to have complex benefit or money advice problems, we will refer them to independent advisors; and
- Find out as much as we can about whether a person can pay.

It is important for the person to contact us if they think they might have problems in paying when they should. When a person gets in touch, we will discuss their income and expenditure and agree payments they can afford.

9.2 Monitoring Payment Arrangements

- All payment plans will be closely monitored;
- Further recovery action may be taken for late or missed payments;
- The person owing the money is responsible for making sure that payment reaches us account by the due date; and

- When a person fails to pay for the first time following an arrangement, we will send a written notice telling them to pay. This also gives the person the opportunity to tell us of a change of circumstances.

10. Monitoring our Fair Collection and Debt Recovery Policy

We will monitor this policy so we can change it if it does not work. We will consider:

Council Tax and Business Rates

- Rate of collection;
- Number of cases reaching each stage of recovery;
- Number of cases being passed to Enforcement Agents;
- Number of cases where recovery is suspended due to arrangements being made;
- Number of complaints received where it is felt we are not following the policy; and
- Number of arrangements paid or defaulted.

Overpayment of Benefits

- Number of referrals to the Citizens Advice Bureau and other advice agencies;
- Amount of overpaid benefit recovered;
- Number of people maintaining satisfactory payment arrangements;
- Number of cases where no money has been received; and
- Costs incurred against the amount of money recovered

Other Council Debts

- Level of arrears;
- Number of cases reaching each stage of recovery;
- Number of cases being passed to Enforcement Agents; and
- Number of complaints received where it is felt we are not following the policy.

11. Enforcement Agent Fees 2014

The Taking Control of Goods (Fees) Regulations 2014 came into effect from 6th April 2014.

From that date, the Council can instruct an Enforcement Agent (formerly known as a bailiff) to collect the outstanding Council Tax debt if a liability order has been granted in the tax payers name. The Council may do this either if the tax payer has not made or kept to an agreed repayment plan or have not completed and returned the personal information form sent to them.

If the debt has been passed to an Enforcement Agent, the tax payer will incur a **fixed fee of £75.00** upon them issuing a letter to them by post. **Any payments or offers of repayment should be made to the Enforcement Agents and not the Council.**

If the Enforcement Agent visits, there is a **fixed fee of £235.00 plus 7.5% for any balance due above £1,500.00**

The Enforcement Agent will normally ask for a payment in full, however if this request cannot be met, the Enforcement Agent will normally make a repayment arrangement. The Enforcement Agent may enter into a Controlled Goods Agreement, where the agent makes a list of possessions that is equal in value to the debt.

If possessions are subject to a Controlled Goods Agreement, the tax payer cannot dispose or sell them without the Enforcement Agents permission

If payment is not made as agreed and there is a signed Controlled Goods Agreement, the Enforcement Agent may enter the property, by force if necessary, to take the goods listed. The tax payer will be charged for the removal and sale of them.

If the Enforcement Agent believes that there are insufficient items to clear the debt the Council will then consider other recovery options such as committal action, bankruptcy, or a charging order against the property.

Close liaison between City of Lincoln Council and North Kesteven District Council and the Enforcement Agent is of paramount importance. This is particular importance in cases of a sensitive nature or where hardship is apparent and in all such cases, City of Lincoln Council must be informed of the situation as soon as it becomes apparent. Sensitive cases may include the following situations: -

- A pensioner
- A disabled person
- Long term sickness or serious illness
- A recent bereavement
- A single parent family
- Pregnancy
- The rate or charge payer does not understand English
- Learning difficulties
- Mental illness
- Severe financial hardship.

12. Debt Counselling and Advice

The Council will seek to work in partnership with local advice agencies and refer people who appear to have complex benefit or money advice problems.

Council employees will give advice if requested on the payment of outstanding debts but they do not provide a comprehensive debt counselling service.

Council employees will refer customers to the Council's Benefits and Money Advice Team. This will be done at the customers request or where it appears that they may be entitled to additional social security benefits, tax credits, grants, loans and/or discretionary payments. The team are experienced advisors who can give comprehensive and confidential advice.

You may want to get independent advice if the Enforcement Agents are involved or if you wish to discuss debts and general money advice. If you want free, confidential and independent advice you can contact one of the free advice agencies shown below: -

Welfare Team (aka Benefits and Money Advice)

Email: welfare@lincoln.gov.uk

Tel: 01522 873382

Lincoln Citizens Advice Bureau: Beaumont

Lodge

Beaumont Fee

Lincoln

LN1 1UL

Tel: 03444 111 444

Web: www.lincolncab.org.uk

Sleaford & District CAB:

Moneys Yard

Carre Street

Sleaford

Lincolnshire

NG34 TW

Tel: 03444 111 444

Website: www.citizensadvice.org.uk/sleaford

Lincolnshire Credit Union

City Hall

Beaumont Fee

Lincoln

LN1 1DD

Tel: 01522 528886

Email: enquiries@lincupcu.org

National debtline

Tel: 0808 808 4000

Website: www.nationaldebtline.org

Stepchange

Tel: 0800 138 1111

Website: www.stepchange.org

13. City of Lincoln Information: Council House Rent Recovery – What We Do

Rent arrears may be just one of many debts a tenant has. Managing arrears effectively involves good liaison with other key organisations including the Housing Benefit Section, the Citizens' Advice Bureau, Department for Work and Pensions, and Social Services.

If a tenant has difficulty in paying their rent it is vital that they talk to their housing officer. Failure to do so could ultimately lead to the tenancy coming to an end.

At start of the tenancy we will explain to the tenant the importance of paying their rent.

We will write to the tenant if arrears begin to build up sending the first letter when arrears represent no more than two weeks rent. The letter invites the tenant to clear the arrears or make contact if there are reasons why they cannot be paid immediately.

If a tenant makes an agreement with us to clear their rent arrears we will take no further action as long as they keep to that agreement at all times. If an agreement to repay rent arrears is broken we will contact the tenant to give them a further opportunity to clear the debt.

If more than four weeks' rent is outstanding we will send a final warning letter before serving a notice of proceedings (introductory tenant) or a notice seeking possession (secure tenant). This is the first stage in legal action that could end up with the tenant losing their home.

We will always check to see if there is a claim for housing related benefit being processed before starting legal action.

If we decide to issue a notice of proceedings in the case of an introductory tenancy we will give the tenant the opportunity to have their case heard by an appeals panel.

We will acknowledge the proposal in writing and if acceptable, promise not to take legal proceedings if the payments are kept to.

If repayments are unsatisfactory a further letter will be sent inviting the tenant to attend for an interview giving a warning that legal proceedings will commence if the tenant fails to respond. We will visit the tenant before we start possession proceedings to ensure that the tenant is aware of the need to respond and to give guidance if required.

We will refer cases to the Welfare Team for further help and advice.

A Housing Officer will write to the tenant after the Court has given a date for the hearing, asking them to attend an interview.

If we end up going to court, we will usually ask for a suspended possession order, which means that the tenant can remain in their home provided they pay the current rent plus an amount off the arrears. Only in exceptional circumstances will an outright order for possession be sought, usually because of a tenant's history of behaviour, where it appears the tenant may have vacated the premises, or other serious reasons to justify such action.

If a court order is granted, we will monitor payments to ensure that the terms of the court order are met.

We will write to the tenant and visit them if they break the terms of their suspended court order.

We will enforce a suspended possession order only as a last resort.

During the rent recovery process we will try to maintain contact with the tenant, be that by post, telephone or email.

Tenants with support needs, including those with mental health problems, drug or alcohol misuse are particularly likely to accumulate arrears. Staff will aim to identify specific needs that make tenants more likely to fall into arrears and will adapt services to respond as effectively as possible to that need.

14. North Kesteven District Council Information: Housing-related Debt Recovery – What We Do

Early communication with tenants is key to effective arrears management. The Council will attempt contact by telephone, emails, letters and home visits. The approach will be tailored to reflect the knowledge of tenants' circumstances. In seeking to help tenants to reduce their arrears, if immediate payment in full is not achievable, the Council will initially consider realistic and affordable instalments over a reasonable period of time.

Arrears of rent are proactively managed on a weekly basis. An escalation policy is followed via the housing management system (Northgate) if the arrears are not reducing

or if the tenant does not engage with the Council to find a solution to the problem. Officers are however able to exercise discretion in using the system where circumstances merit such flexibility and typically the principal actions listed below are supplemented by additional attempted conversations and meetings with the tenant.

The escalation policy consists of the following principal actions if no progress is made by the tenant in addressing their arrears (these are an absolute minimum; in practice officers will attempt to maintain contact with the tenant at intermediate points in the process):

- At least three attempts to contact the tenant, either by telephone, email, text or home visit

- Three formal warning letters

- Service of Notice of Seeking Possession

- Final warning letter before court

- Application to court for possession order or suspended possession order

- Application to court for Warrant of Possession

- Eviction

Support to manage rent arrears and other financial commitments can be offered at any stage of the arrears management process, as appropriate to the tenant's circumstances. This can include Tenancy Sustainment Officers, the Money Advice Service or the Domestic Energy Service, or alternatively via signposting to external agencies.

In cases where all other options have been exhausted and the Council are unable to agree actions with a tenant to resolve their arrears, the recovery of the debt will be pursued via the County Court in accordance with the Pre-Action Protocol for Possession Claims by Social Landlords. In order to maintain clear division of responsibility in the recovery process, actions will normally be authorised as follows:

Notice of Seeking Possession: Assistant Housing Services Manager (Neighbourhoods)

Claim for Possession at Court: Income Management Team Leader

Warrant for Possession: Housing Services Manager

Rent Arrears - Former Tenants

In seeking to minimise former tenant rent arrears, the Housing Service strives to ensure that all rent is paid prior to tenancies ending. On receiving notice from a tenant to end their tenancy, the tenant, or their representative will be informed of the payment required to settle their rent account.

This will also be discussed at the pre-termination visit carried out by the Neighbourhood Officer.

If rent, or any other housing related debts, remain outstanding when the tenancy ends, the former tenant, or representative will be contacted to seek immediate payment, or, if this is not achievable, payment by agreed instalments.

If the former tenant's whereabouts are unknown, methods used to seek to locate them will be used, such as other information available within the Council (Council Tax records) or by employing a third-party tracing service such as Experian, in accordance with data protection and governance responsibilities.

If a payment plan cannot be agreed, or if the former tenant cannot be contacted, the Council may make a claim at the County Court for the amount owed. As a last resort, the Council will consider cases for write off in accordance with the Council's corporate Sundry Debt Recovery Policy.

For those debts not listed on Northgate or those debts 'written back on', they will be captured, monitored and pursued via the corporate debtors system

Other Languages

Rent, arrears and debt recovery actions are taken in accordance with the Equality, Diversity and Human Rights Policy, ensuring that appropriate advice and assistance is given to those disadvantaged in the community, and that adequate translation and interpretation services are available and used. In addition, all written communication will be available in alternative languages, large print or braille where identified or on request.

If you have difficulty in understanding anything in this document, please go to the Council Offices, where we can call in an interpreter for you through the National Interpreting Service.

City of Lincoln
City Hall
Beaumont Fee
Lincoln
LN1 1DD

North Kesteven District Council
Kesteven Street
Sleaford
Lincolnshire
NG34 7EF

FRENCH

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TURKISH

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SORANI

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KURDISH

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Если Вам трудно понять что-либо в настоящем документе, просим обращаться в городской совет по адресу: City Hall, Beaumont Fee, Lincoln, или любое другое учреждение Совета, где мы можем вызвать для Вас переводчика через «Национальную службу устных переводов».

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LITHUANIAN

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