

# Wirral Council

## Corporate Debt Recovery Policy

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## 1. Introduction

1.1 Wirral MBC has a duty to ensure cost effective billing, collection and recovery of all sums due to the Council. This is important to enable the Council to provide services and keep the council tax as low as possible.

1.2 Cost effective debt management is crucial to the success of any organisation. This policy will help the Council to support the maximisation of debt collection in an efficient, consistent and sensitive manner.

1.3 This document sets out the general principles Wirral MBC will apply to debt management across all services.

1.4 Each Annexe provides details of debt recovery procedures that are specific to each particular service.

1.5 This Policy does not cover any debts or recovery action relating to either the Merseyside Pension Fund or Parking Fines, which are both subject to separate recovery processes.

## 2. Policy Aims

2.1 The key aims of this policy are as follows:

- To ensure a professional and timely approach to recovery action.
- To maximise the levels of income collected by the Authority.
- To consider fully the debtor's circumstances and ability to pay and so attempt to distinguish between the debtor who won't pay and the debtor who genuinely can't pay.
- To treat individuals consistently and fairly regardless of age, gender, disability and sexual orientation.
- To promote a coordinated approach towards sharing debtor information and managing multiple debts owed to the Council.
- To balance the potential loss of income to Wirral MBC against the costs of recovery.
- To apply best practice to debt collection, identifying where appropriate any relevant support that may be required to those in debt to the council.
- Promote early personal contact across all debt streams, recognising the need to prevent debts escalating

- The recovery of debts from those who are receiving care and support is a sensitive issue given the potentially vulnerable nature of the client group and local authority's ultimate responsibility to meet needs.
- In dealing with the recovery of such debts the Council will give due consideration to the Care and Support Statutory Guidance issued by the Department of Health and Social Care with specific reference to Annexe D relating to the Recovery of Debts.

### **3. Policies Common to All Types of Debt**

3.1 Although the Annexes detail the individual recovery procedures employed by different teams the following is policy which applies to all debts administered by Wirral MBC.

3.2 Every demand for money will be correctly addressed to the person who is liable to pay it. The name on the demand will be that of a person or body possessing "legal personality" as far as possible based on the information available.

3.3 C/o address will not be used for an individual, unless there are exceptional circumstances which must be agreed by an Assistant Service Manager or equivalent.

3.4 The Council will attempt at all times to use the most appropriate and effective method of debt recovery in order to maximise income.

3.5 All invoices, reminders and final notices shall be issued immediately.

3.6 Officers will be able to intervene in the recovery cycle in appropriate circumstances to deal with hardship or dispute situations or where they are dealing with a vulnerable person. This includes the ability to make deferred payment arrangements where immediate payment is impossible due to lack of means.

3.7 Where the potential for a statutory benefit or discount exists in relation to the debt, efforts will be made to make the debtor aware of such opportunities and they will be encouraged to apply for these.

3.8 Prompt recovery action is key in managing debt and maximising income. The Wirral MBC therefore aims to:

- Regularly monitor the level and age of debt.
- Have clear written recovery procedures.
- Assess recovery methods to ensure maximum recovery.
- Regularly review irrecoverable debts, and those where recovery is not economic, and recommend for write-off.

3.9 Wirral MBC welcomes the involvement of welfare agencies in connection with debts due to the Council and recognises the benefits that these organisations can offer both the debtor and the Council in prioritising repayments to creditors and in maximising income available to the debtor.

3.10 Where legislation permits, Wirral MBC will seek to levy and recover from the debtor any and all costs and fees that are legitimately due from the debtor to the Authority or its agents.

3.11 Only in exceptional cases, where it would not be in the public interest to pursue costs or fees will they be waived.

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

#### **4. Principles of Enforcement (all debts)**

4.1 Wirral MBC will follow the principles outlined below.

- Action will be proportional in so far as it will allow for a balance to be struck between the potential loss to the Council, the cost of compliance and the circumstances of the debtor.
- Our approach will be consistent in relation to the advice it gives, and the recovery procedures used in cases of similar circumstances. In addition, Officers will take account of the circumstances of the debtor and their payment history.
- Any actions will be transparent to ensure that people understand what is expected from them and what they should expect from the Council.
- All action taken by the Council's Enforcement Agents will comply with the national Code of Practice for Enforcement Agents.

#### **5. Payment Arrangements**

5.1 Under normal circumstances all arrangements will require the debt to be paid within the current financial year.

5.2 The aim of any arrangements will be to recover the debt within the shortest time taking into account the circumstances of the individual debtor.

5.3 Under normal circumstance when the debt will not be cleared within the financial year then the debtor would be expected to complete and return a financial statement.

5.4 All arrangements will be confirmed in writing with the debtor.

5.5 Where an arrangement is broken the debtor will be contacted and given the chance to bring the arrangement up to date to avoid the arrangement being cancelled.

5.6 Under normal circumstances once an arrangement has been cancelled due to non payment no further arrangement will be agreed.

5.8 Under normal circumstances when the debt has been passed to the Enforcement Agent all discussions will then be direct between the debtor and Enforcement Agent. The council will only intervene in exceptional circumstances.

5.9 The Council adheres to the principles of the local Fair Debt Policy. In doing so, if the debtor has more than one debt with the Council but is unable to repay all of the debts at the same time, a fair debt arrangement may be offered. This means one payment arrangement will be set up to repay the total amount owed. If payments are maintained and the current years Council Tax bill is kept up to date, no further recovery action will be taken.

## **6. Reminders final notices and summonses**

6.1 Once issued reminders final notices, summonses and liability orders will normally only be withdrawn as follows

- If issued in error
- If crossed with a payment
- Authorised by an Assistant Service Manager or equivalent
- If debtor agrees to pay by Direct Debit and agree a payment plan

## **7. Costs**

7.1 The amount of costs is not negotiable. They will only be withdrawn in exceptional circumstances and only when authorised by a by a designated officer.

## **8. Bankruptcy**

8.1 In circumstances where other methods of recovery are considered inappropriate or have failed Wirral MBC may consider bankruptcy as the only alternative to recovering a debt. Such action would only be taken where it appears to be a fair and proportionate course of action to recover from a particular debtor. In such cases this will be authorised by an Assistant Service Manager or equivalent.

## **9. Charging orders**

9.1 In certain circumstances where other methods of recovery are considered inappropriate or have failed Wirral MBC may consider applying for a Charging Order as a means of recovery of a debt. Such action would only be taken where it appears to be a fair and proportionate course of action to recover from a particular debtor. In such cases this will be authorised by an Assistant Service Manager or equivalent.

## **10. Committal**

10.1 In certain circumstances where other methods of recovery are considered inappropriate or have failed Wirral MBC may consider applying to the Magistrates Court for a warrant of committal.

10.2 Such action would only be used as a very last resort. Due to the potential for imprisonment every other method of recovery will have been exhausted and the

debtor's individual personal circumstances will have been considered prior to authorisation by an Assistant Service Manager or equivalent.

## **11. Offsetting of credits against Council debt**

11.1 Wirral MBC will adopt a corporate approach to refunding credits in that wherever possible checks will be made for other outstanding debts due to the Council, prior to a refund or payment being made.

11.2 Consultation and advice will be sought from legal services before any offset is invoked.

## **12. Review of Policy**

12.1 This Policy will be reviewed in light of any legislative changes, trends or other factors that may impact upon the effectiveness of the policy.

12.2 Minor amendments that do affect the overall intention of the policy may be authorised following agreement between the Director of Finance and Investments and the Cabinet Member for Finance & Resources.

## **13. Data Sharing and Privacy Statement**

13.1 Please visit our website on the following link for additional information:

[wirral.gov.uk/about-council/freedom-information-and-data-protection/privacy-notice](http://wirral.gov.uk/about-council/freedom-information-and-data-protection/privacy-notice)

## **14. Complaints**

14.1 At Wirral Council, we want to give you the best possible service. The following link, however, gives information about our complaints process.

[wirral.gov.uk/about-council/complaints-compliments-and-feedback/complain-or-give-compliment-wirral-council](http://wirral.gov.uk/about-council/complaints-compliments-and-feedback/complain-or-give-compliment-wirral-council)

## **Annexe A Council Tax Policy**

### **1. Introduction**

1.1 Council Tax is a tax levied on all eligible domestic dwellings as laid down by the Local Government Finance Act 1992. The amount of Council Tax levied is dependent on the Council Tax band that the property falls into and the amount of tax to be raised.

1.2 The full rate of tax is liable to be paid unless the property, owner or occupier is eligible for a reduction or exemption e.g. Council Tax Reduction or Single Person Discount

1.3 Council Tax is payable in line with a statutory instalment scheme or by agreement. There is a legal duty placed on the Council and its Officers to collect outstanding debts in accordance with the Council Tax (Administration and Enforcement) Regulations 1992

### **2 Issue of Bill**

2.1 People who are liable for Council tax will be sent a bill, normally at the beginning of the financial year or when they actually become liable for the Council Tax if during the financial year. Amended bills are sent during the year form accounts where a change has been made, e.g. liability change, entitlement to Council Tax reduction.

2.2 The Bill will

- State the amount of Council Tax that is due
- Ways in which to pay the Bill
- Schedule of payments due
- Advice on what to do if people need help in paying the bill

### **3. Issue of Reminder/Final Notice**

3.1 Where payment has not been received on an instalment date then a reminder notice is issued.

3.2 The amount demanded must then be paid within 7 days of the date of the reminder notice.

3.3 Where no payment is received, and no contact made a second reminder will be issued within a further 7 days and the customer will lose their right to pay by instalments.

3.4 Where no payment is received and no contact made, a complaint will be made to the Magistrates' Court and a summons issued.



3.5 Where no payment is received, and no contact made by the court hearing date an application is made to the Magistrates for a Liability Order.

3.6 At every opportunity during the recovery process, we will encourage the customer to contact and engage with us to discuss and make a suitable payment arrangement and to avoid further recovery action which may include referral to an Enforcement Agent. 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.

#### **4 Issue of Summons**

4.1 If the debt is not paid or a satisfactory arrangement made then a summons is issued to the taxpayer advising them of an application to the Magistrates Court for a liability order. A court hearing date is given when the liability order will be applied for at the Magistrates Court. The issue of the summons incurs additional costs, and these are determined by the Council in agreement with the magistrates' court annually.

4.2 Taxpayer's are encouraged to contact the Council to make arrangements for repaying the amount owed. An arrangement to be paid by the end of the financial year is offered on the Summons documentation, requesting the Council Tax payer to make contact to confirm that they wish to accept the arrangement offered prior to the Court Hearing Date.

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

#### **5. Granting of Liability Order**

5.1 If full payment is not received prior to the court hearing the Council will continue to apply to the Magistrates to issue a Liability Order.

5.2 The Liability Order will include the amount outstanding plus costs which are agreed between the Council and the Magistrates Court annually.

5.3 At the court hearing, the Magistrates must be satisfied that we have followed the correct procedures. These are: sending a bill; reminder; and summons to your property, or your last known address. We must also confirm that the Council Tax payer is liable to pay Council Tax and that the debt is outstanding. If the Magistrates' Court is satisfied with the evidence we present, they grant a liability order.

5.4 Once a liability order is obtained the recovery options available to the Council are as follows:

## **6. Agreements**

6.1 If the customer has entered into an arrangement to repay the debt with the Council then no further action will be taken unless they default on the agreement. If an arrangement is defaulted on then the debt will be passed directly to the Councils appointed Enforcement Agents, or an attachment of earnings or benefit.

## **7. Attachment to Earnings**

7.1 Action may be taken by means of an Attachment to Earnings where the debtor is in employment.

7.2 A copy of the order is sent to the debtor and their employer and the employer must comply with the order by making deductions in accordance within the percentages laid down in tables within the schedule to the regulations

7.3 Where a deduction is made the employer may deduct an additional £1 per deduction in respect of an administration fee this will be met from the debtor's wages/salary.

## **8. Attachment to Benefit**

8.1 Where a liability order has been obtained and a debtor receives Income Support / Job Seekers Allowance /Pension Credit or Employment & Support Allowance/ Universal Credit the Council may apply to the Secretary of State for deductions to be made to secure payment.

8.2 Deductions are requested for the whole amount outstanding including costs incurred in obtaining the Liability Order.

## **9. Attachment to Members Allowances**

9.1 The Council can apply for an attachment to a member's allowance. The application is made to the Authority to which the debtor is an elected member. The order shall remain in force until the debt is discharged.

## **10.0 Post Liability Notification**

10.1 If no response is received from the taxpayer a further post liability order notification will be sent to them requesting full income and expenditure details together with and an offer for clearing the debt.

10.2 If no response is received within 14 days the account would progress to the Enforcement Agent stage outlined below.

## **11.0 Enforcement Agents**

11.1 After the Liability Court hearing if a suitable arrangement has not been entered into then the debt will be passed to the Council's appointed Enforcement Agent. The Enforcement Agent will add additional costs as defined in legislation.

11.2 On receipt of the case the EA will issue a letter giving the taxpayers 14 days to contact them.

11.3 All contact regarding the debt should now be directly between the taxpayer and the EA.

11.4 Where a taxpayer makes contact with the council within the 14-day period, there is discretion to accept payment in full including all costs incurred and to recall the liability order from the EA.

11.5 On contact from the customer the EA is able to make an arrangement to:

- Receive payment in full
- Receive payment in full within 3 months, backed by a Walking Possession (WP) agreement
- Receive payment in full within the existing financial year, backed by a WP agreement
- In cases where there are extenuating circumstances to make an arrangement for an extended period of time at the Company's discretion (backed by a WP agreement).

11.6 After the 14 days has elapsed, and no payments have been received or an arrangement made, the EA will carry out a visit.

11.7 The Enforcement Agent is then able to levy distress which is the seizure of goods of the debtor in order to settle outstanding debt plus costs incurred.

11.8 Further information about EA can be found at [www.wirral.gov.uk/sites/default/files/all/Benefits/Council%20Tax/Council%20Tax%20information%20about%20Enforcement%20Agents.pdf](http://www.wirral.gov.uk/sites/default/files/all/Benefits/Council%20Tax/Council%20Tax%20information%20about%20Enforcement%20Agents.pdf)

## **12. Returns from the Enforcement Agent**

12.1 If the EA has been unsuccessful in pursuing the debt the case will be returned back to the Council marked certificated.

12.2 At this point the Council Tax Recovery section will make an assessment as to the likelihood of any further recovery action being profitable.

12.3 It will carry out an assessment to ascertain the likelihood of success in any future recovery action, including the success of any trace exercise.

12.4 If it is deemed that this is unlikely then the case will be put forward for write off in line with Wirral MBC write off guidelines

### **13. Committal proceedings**

13.1 If it is deemed that there is a likelihood of payment due to the circumstances of each individual then the case will be progressed to committal stage.

13.2 A pre committal letter will be sent to the Debtor who will be encouraged to contact the council to come to an arrangement for payment prior to the committal court.

13.3 If no contact is made a decision will be made by an Assistant Service Manager or equivalent regarding which cases should be referred to the Court.

13.4 The number referred to the Magistrates Court is governed, in part, by the number of cases that can be heard at any one session.

13.5 A series of final filters will then be applied to the case to ensure that any case deemed to be inappropriate due for example due to household composition will be removed.

13.6 Wirral MBC will adhere to the decision of the Magistrate which will include

- commit the debtor to prison for a maximum of 90 days
- commit the debtor to prison for a maximum of 90 days and suspend the sentence for them to pay an amount as determined by the magistrates
- dismiss the case and allow the debtor to make arrangements to pay, directly with the council
- determine that the arrears should not be paid
- adjourn the case.

13.7 Any case which has been through the above process and is deemed not to be cost effective to recover, or cases where there are insufficient court slots for the case to be heard or where the magistrate determines that the arrears should not be paid will follow the normal write off procedure.

## **ANNEXE B National Non-Domestic Rate Policy**

### **1. Introduction**

1.1 Non-domestic rates are a tax levied on eligible business properties. The amount of non-domestic rates is dependent on the rateable value of the property and the nationally set rating multiplier.

1.2 The full rate of tax is liable to be paid unless the property is eligible for a reduction or exemption. For example, charitable relief.

1.3 Non-domestic rates are payable in line with a statutory instalment scheme or by agreement. There is a legal duty placed on the Council and its Officers to collect outstanding debts in accordance with the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (as amended).

### **2. Issue of Bill**

2.1 People who are liable for business rates will be sent a bill, normally at the beginning of the financial year or when they actually become liable for business Rates if during the financial year.

2.2 The Bill will

- State the amount of business rates council tax that is due
- Ways in which to pay the Bill
- Schedule of payments due
- Advice on what to do if people need help in paying the bill.

### **3. Issue of Reminder/Final Notice**

3.1 Where payment has not been received on an instalment date then a reminder notice is issued.

3.2 The amount demanded must then be paid within 7 days of the date of the reminder notice.

3.3 Where no payment is received, and no contact made a second reminder will be issued within a further 7 days and the customer will lose their right to pay by instalments

3.4 Where no payment is received, and no contact made an application is made to the Magistrates for a Liability Order.

## **4. Issue of Summons**

4.1 If the debt is not paid or a satisfactory arrangement made then a summons is issued to the taxpayer advising them of an application to the Magistrates Court for a liability order.

4.2 A court hearing date is given when the liability order will be applied for at the Magistrates Court. The issue of the summons incurs additional costs, and these are determined by the Council in agreement with the magistrates' court annually.

4.3 Taxpayer's are encouraged to contact the Council to make arrangements for repaying the amount owed.

## **5. Granting of Liability Order**

5.1 If full payment is not received prior to the court hearing the Council will continue to apply to the Magistrates to issue a Liability Order.

5.2 The Liability Order will include the amount outstanding plus costs which are agreed between the Council and the Magistrates Court annually.

5.3 Once a liability order is obtained the recovery options available to the Council are as follows:

## **6. Agreements**

6.1 If the customer has entered into an arrangement to repay the debt with the Council then no further action will be taken unless they default on the agreement. If an arrangement is defaulted on then the debt will be passed directly to the Councils appointed Enforcement Agents.

## **7. Enforcement Agents (EA)**

7.1 After the liability court hearing if a suitable arrangement has not been entered into then the debt will be passed to the Councils appointed Enforcement Agents. The Enforcement Agent will add additional costs.

7.2 On receipt of the case the Councils appointed EA will issue a letter giving the taxpayers 14 days to contact them.

7.3 All contact regarding the debt should now be directly between the taxpayer and the EA.

7.4 Where a taxpayer makes contact with the council within the 14-day period, there is discretion to accept payment in full including all costs incurred and to recall the liability order from the EA.

7.5 On contact from the customer the EA is able to make an arrangement to:

- Receive payment in full
- Receive payment in full within 3 months, backed by a Walking Possession (WP) agreement
- Receive payment in full within the existing financial year, backed by a WP agreement

7.6 After the 14 days has elapsed, and no payments have been received or an arrangement made, the EA will carry out a visit.

7.7 The EA is then able to levy distress which is the seizure of goods and chattels of the debtor in order to settle outstanding debt plus costs incurred.

## **8. Returns from the Enforcement Agent (EA)**

8.1 If the EA has been unsuccessful in the pursuing the debt the case will be returned to the Council marked certificated.

8.2 At this point the Business Rates section will make an assessment as to the likelihood of any further recovery action being profitable.

8.3 It will carry out an assessment to ascertain the likelihood of success in any future recovery action, including the success of any trace exercise.

8.4 If it deemed that this is unlikely then the case will be put forward for write off in line with Council write off guidelines

## **9. Committal proceedings**

9.1 If it is deemed that there is likelihood of payment due to the circumstances of each individual then the case will be progressed to committal stage.

9.2 A pre committal letter will be sent to the Debtor who will be encouraged to contact the council to come to an arrangement for payment prior to the committal court.

9.3 If no contact is made a decision will be made by an Assistant Service Manager or equivalent regarding which cases should be referred to the Court.

9.4 The number referred to the Magistrates Court is governed, in part, by the number of cases that can be heard at any one session.

9.5 A series of final filters will then be applied to the case to ensure that the any case deemed to be inappropriate due for example due to household composition will be removed.

9.6 Wirral MBC will adhere to the decision of the Magistrate which will include

- commit the debtor to prison for a maximum of 90 days
- commit the debtor to prison for a maximum of 90 days and suspend the sentence for them to pay an amount as determined by the magistrates
- dismiss the case and allow the debtor to make arrangements to pay, directly with the council
- determine that the arrears should not be paid
- adjourn the case.

9.7 Any case which has been through the above process and is deemed not to be cost effective to recover, or cases where there are insufficient court slots for the case to be heard or where the magistrate determines that the arrears should not be paid will follow the normal write off procedure.



## Annexe C Debtors

### 1. Introduction

1.1 Wirral MBC raises debtor invoices for a whole range of services. To aid recovery the following should always occur when raising a debt.

- Full names contact addresses and telephone numbers will be established wherever possible prior to a service provision or billing.
- Service providers must endeavour to obtain payment in advance or at the time of service delivery wherever permissible and must ensure that they have adequate controls in place to limit the amount of debt that arises. Debtor invoices should only be raised where payment in advance for a service is inappropriate.
- When dealing with companies, local authorities etc, it is important to obtain the contact details of the person and department who will be arranging payment of the invoice.
- Legal proceedings cannot be issued on 'care of' addresses, and so should be avoided wherever possible.
- All Council bills and invoices will be raised as soon as possible, but no later than 5 working days from the delivery of the goods supplied or the services provided.
- The invoices will include clear, relevant and full information as to
  - What the invoice is for
  - When payment is due
  - How to pay
  - How to contact us if there is a query in relation to the invoice or on relation to making a payment.

1.2 Debtors will be encouraged to make prompt contact if they disagree with an invoice or have difficulty in making payment. Contact can be made by:

- Telephone
- Letter
- Email
- In person at any Council Office

1.3 Any problems and invoice discrepancies will be resolved or responded to within 10 working days to prevent unnecessary delays in payment.

1.4 From time to time debtor invoices are disputed and if this occurs, they will be referred back to the originating department for resolution.

- 1.5 If it is found that the debtor has the ability to pay, but refuses to pay, then recovery action will continue promptly.
- 1.6 Reminders will be issued 14 days after the invoice was raised if any of the debt remains, unless a payment plan has been agreed. During the period of the first reminder and the second reminder being issued, a member of the service team will contact the debtor by phone to seek payment of the outstanding debt or to establish if the debtor is experiencing difficulty paying the invoice.
- 1.7 The Aged Debt report is produced on 1st of each month and is sent to the relevant Service Managers.
- 1.9 Where outstanding accounts relate to the supply of goods/services, no further goods/services should be supplied until the overdue account is cleared.
- 1.10 If the Debt remains unpaid after 42 days the Collection and Recovery team will undertake a full review of the debtor's financial situation and will make contact with the debtor in order to make an arrangement for repayment. This will include requesting Income and Expenditure forms to be completed when repayment has been offered if it would require over 6 months to discharge in full.
- 1.11 If the debtor has ignored the attempt to make an arrangement and holds no asset whilst also being unemployed, the debt will be referred to the Councils appointed Enforcement Agents.

## **2.00 Enforcement Agents (EA)**

- 2.1 On receipt of the case the Councils appointed EA will issue a letter giving the taxpayers 14 days to contact them.
- 2.2 All contact regarding the debt should now be directly between the taxpayer and the EA.
- 2.3 Where a taxpayer makes contact with the council within the 14-day period, there is discretion to accept payment in full including all costs incurred.
- 2.4 On contact from the customer the EA is able to make an arrangement to:
  - Receive payment in full
  - Receive payment in full within 3 months, backed by a Walking Possession (WP) agreement
  - Receive payment in full within the existing financial year, backed by a WP agreement
- 2.5 After the 14 days has elapsed, and no payments have been received or an arrangement made, the EA will carry out a visit.

2.6 The EA is then able to levy distress which is the seizure of goods and chattels of the debtor in order to settle outstanding debt plus costs incurred.

### **3. Returns from the Enforcement Agent (EA)**

3.1 If the EA has been unsuccessful in the pursuing the debt the case will be returned to the Council marked certificated.

3.2 At this point the Debt and Income Maximisation section will make an assessment as to the likelihood of any further recovery action being profitable.

3.3 It will carry out an assessment to ascertain the likelihood of success in any future recovery action, including the success of:

- any trace exercise.
- County Court action.
- the appropriateness of offering the debtor to apply to Land Registry for a Restriction to be applied to the property prior to Issuing Proceedings in County Court.

### **4.0 County Court**

#### **4.1 Enforcement Action in County Court**

- If the debt remains unpaid, if it considers it appropriate, the Authority may make a claim in County Court Money Claims Centre to Issue Proceedings against the debtor. If successful, the following are the potential recovery options available:
  - Attachment of Earnings
  - Order to Obtain information
  - Charge to be place on the property
  - Third Party Debtor Order
  - County Court Bailiff
  - If over £600 refer matter to the High Court

Any case which has been through the above process and is deemed not to be cost effective to recover will follow the normal write off procedure.

## **Annex D Housing Benefit overpayments**

### **Introduction**

1.1 Housing benefit is a regular council payment to help people pay their rent when they are on a low income or claiming benefits. It helps pay for rent and some types of service charges. It doesn't help with water charges, care costs or most heating charges.

1.2 When Housing Benefit is overpaid an overpayment is created. The claimant will be advised by an overpayment letter being sent to them.

1.3 All overpayment letters will include:

- Explain what is overpaid and why
- Appropriate contact details
- Details of how to pay

1.4 Customers will be encouraged to make prompt contact if they disagree with the amount overpaid or have difficulty in making payment. Contact can be made by:

- Telephone
- Letter
- Email
- In person at any Council Office

1.5 Overpayments will be recovered by one of the following methods:

1.6 If the debtor is still in receipt of Housing Benefit payments, the Overpayment will be recovered direct from Housing Benefit by making weekly deductions direct from ongoing entitlement.

1.7 If the debtor is in work then deductions will be made by an application for deduction from their salary by their employer

1.8 If the debtor is in receipt of relevant benefits then a request can be made to the department of works and Pensions for weekly deductions.

1.9 The DWP standard rate for deductions (appropriate to the debt) will be deducted on a weekly basis.

1.10 Landlord or agent debt may be recovered from Housing Benefit paid to their other tenants and taken from the payment schedule.

1.11 If none of the above are appropriate then a Debtor invoices will be raised for the amount of the overpayment and the overpayment procedure for debtors as outlined above will be followed.

## **Annexe E Write off Procedure**

1.1 Wirral MBC recognises that where a debt is irrecoverable, prompt and regular write off of such debts is good practice.

1.2 The Council will seek to minimise the cost of write-offs to the local Council Tax payers by having adequate controls in place to limit the amount of debt that arises and taking all necessary action to recover sums that become due. All debts will be subject to the full recovery, collection and legal procedures as outlined in this policy.

1.3 Irrecoverable debts will be referred to the Councils Section 151 Officer on a quarterly basis.

1.4 The Council will resurrect the debt if circumstances that resulted in write off alter.

1.5 Debts may be referred to the Section 151 Officer for write-off in the following circumstances;

- Debt remitted by a Magistrate.
- The Council has evidence to confirm the claimant is suffering a severe physical or mental illness which renders enforcement action inappropriate.
- The Council is unable to trace the debtor.
- The debt is not cost-effective to pursue due to small balance.
- The debt is not cost-effective to pursue due to the likelihood of payment balanced against the cost of proceedings.
- The claimant has died and there are no or insufficient funds in the estate to settle the debt.
- The claimant is subject to formal insolvency proceedings and there is little likelihood of a dividend.
- The debt is statute barred

1.6 It is crucial that old debts do not block the system of debt recovery and regular reviewing of debts must be carried out. For example, once a debt is greater than 6 months in age and those debts in respect of which collection is unrealistic should be resolved promptly.

1.7 The procedure for writing off of debts for each category is as follows as outlined in the Financial Regulations.

1.8 The schedule below outlines for each category of debt the level of recommendation for each value.

1.9 Each month the recommendation sheet for debts below £10,000 will be completed and sent electronically to the Section 151 Officer for authorisation. For debts over £10,000 the recommendation sheet will be submitted on a quarterly basis and be reported to Members for authorisation as part of the Quarterly Monitoring Report.

Category	Value	Recommend Level 1	Recommend Level 2	Recommend Level 3	Authorised by	Frequency
Council Tax	Up to £50	Council Tax Officer	Assistant Service Manager or equivalent	Head of Customer Services	Section 151 Officer	Monthly
Council Tax	£50-£10,000	Assistant Service Manager or equivalent	Head of Customer Services	N/A	Section 151 Officer	Monthly
Council Tax	Over £10,000	Assistant Service Manager or equivalent	Head of Customer Services	Section 151 Officer	Policy & Resources Committee	Quarterly
Housing Benefit	Up to £50	Council Tax Officer	Assistant Service Manager or equivalent	Head of Customer Services	Section 151 Officer	Monthly
Housing Benefit	£50-£10,000	Assistant Service Manager or equivalent	Head of Customer Services	N/A	Section 151 Officer	Monthly
Housing Benefit	Over £10,000	Assistant Service Manager or equivalent	Head of Customer Services	Section 151 Officer	Policy & Resources Committee	Quarterly
Business Rates	Up to £10,000	Business Rates Officer	Assistant Service Manager or equivalent	Head of Customer Services	Section 151 Officer	Quarterly
Business Rates	Over £10,000	Business Rates Officer	Assistant Service Manager or equivalent/Head of Customer Services	Section 151 Officer	Policy & Resources Committee	Quarterly
Debtors	Up to £10,000	Budget Holder	Debt & Income Maximisation Manager	Head of Customer Services	Section 151 Officer	Monthly
Debtors	Over £10,000	Budget Holder	Debt & Income Maximisation Manager/ Head of Customer Services	Section 151 Officer	Policy & Resources Committee	Quarterly