**Council Tax**

**Business Rates**

**Sundry Accounts**

**Housing Benefit Overpayment**

**Account Management Recovery Framework**

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1. **INTRODUCTION**

This Framework should be read in conjunction with the Council’s Corporate Debt Policy, which sets out the objectives and approach to the management and collection of debt.

The Policy states the over-riding principles applying to all debt collection across the Council and is supported by a suite of 4 practical frameworks that explain the approach and procedures for collecting debts in specific areas, i.e. Council Tax, Business Rates, Sundry Accounts & Housing Benefit Overpayments; Housing Rents; Social Care client contributions and Parking Services.

1. **RESPONSIBILITIES FOR THE FRAMEWWORK**

This Framework is intended to supplement the Corporate Debt Policy, by identifying the procedures to be applied to recovering income due from people, businesses, and service-users.

1. **RAISING ACOUNTS & INVOICES**

**Council Tax & Business Rates**

Anyone living in or owning a domestic property may be liable for Council Tax. Anyone owning or occupying commercial premises will be responsible for paying Business Rates.

Council Tax and Business Rates bills are issued annually prior to the start of the financial year and customers can pay their account in full or over several instalments.

**Sundry Accounts**

When a service has been provided by the Council an invoice will be raised to charge the service-user with the appropriate amount. Sundry Accounts invoices request that the service-user makes full payment within 21 days. Should payment not be received within this time then a reminder will be issued, typically providing a further 14 days in which to pay.

Should this still not prompt a payment from the service-user then a final notice will be sent giving a further 14 days in which to pay the invoiced amount. This is the final communication sent by the Sundry Accounts System before further recovery action is considered (see Section 6).

The Account Management Team may authorise payment arrangements with service-users depending on their financial circumstances but will aim for invoices to be fully paid within 12 months.

**Housing Benefit Overpayments**

When an overpayment of Housing Benefit occurs and has been deemed recoverable then an invoice for the appropriate amount will be raised and sent to the customer. Invoices for Housing Benefit overpayments request that payment in full is made within 7 days. Invoices sent to customers will include an offer of payment form.

Should payment not be received within this time then a final notice is issued, giving a further 7 days in which to pay the invoiced amount. This is the final communication sent by the Housing Benefits System before further recovery action is considered (see Section 6).

1. **CUSTOMER COMMITMENT**

Council staff will always act in a customer-friendly manner, treating those who owe Council Tax, Business Rates, Sundry Accounts and Housing Benefit Overpayments in a sensitive way. In cases of hardship, the Council will assist people, businesses and service-users in the development and maintenance of a realistic payment plan. Every effort will be made by Council staff to maximise benefits and other entitlements for the customer.

1. **METHODS OF PAYMENT**

Payments can be made by using the following methods:

* Debit or Credit Card payments can be made via an automated payment line on 0300 4562776 (for Council Tax) or 0300 4562723 (for Business Rates, Sundry Accounts & Housing Benefit Overpayments), or online at <https://www.civicaepay.co.uk/RotherhamEstore/estore/default/Catalog/Index?Area=>. The Council is unable to accept American Express or Diners cards.
* For Council Tax & Business Rates, Direct Debits can be set up by ringing 01709 336007 or visiting <https://www.rotherham.gov.uk/council-tax/pay-council-tax/2?documentId=9&categoryId=20054>. For Sundry Accounts,

Direct Debits can be set up by ringing 01709 336075 or emailing Misc.recovery@rotherham.gov.uk. The Council is unable to accept Direct Debits for Housing Benefit Overpayments.

* Online Banking and Faster Payments – payment can be made through the customers own online banking facility to Rotherham Metropolitan Borough Council – Lloyds Bank Sort Code 30-80-12 – A/C No 26467460. The customer account or invoice number and name must also be quoted. Advice of remittance should be emailed to income@rotherham.gov.uk.
* PayPoint - payments can be made free of charge at any shop or store displaying the PayPoint Logo, or at any Post Office, by using the bar code printed on the customer’s bill, invoice, or notice. A full list of PayPoint outlets can be found at <https://paypoint.com> and a full list of post offices can be found at [www.postoffice.co.uk/branch-finder](http://www.postoffice.co.uk/branch-finder)
* Cheques (payable to Rotherham Metropolitan Borough Council) can be delivered in person to Riverside House, Main Street, Rotherham, S60 1AE or posted to Financial Services Income Team, Finance and Customer Services,
Riverside House, Main Street, Rotherham, S60 1AE. Details of the customer account or invoice number, name and address must be provided on the reverse of the cheque. Third party cheques and post-dated cheques are not accepted.
1. **COLLECTION & RECOVERY**

The Council will identify and pursue debts promptly, considering the circumstances of people, businesses and service-user and their ability to pay and distinguishing between those who will not pay and those who genuinely cannot pay their debts. Where genuine hardship exists, the Council will adopt a sympathetic and reasonable approach to the collection of debt.

Where appropriate, the Council will allow for a full appraisal of the circumstances of people, businesses or service-users and will work in partnership with all registered advice agencies, recognising the claims of competing creditors and the need to address the demands of priority debts.

Where appropriate, applications will be considered to suspend recovery action pending appeals or further investigation of the circumstances of people, businesses, or service-users.

Where people, businesses or service-users have engaged with an advice agency, the Council will work with that agency to ensure, wherever possible, that a positive outcome is achieved.

Where appropriate, the Council might engage the services of Debt Collection and Enforcement Agents, in line with a detailed code of practice which regularly monitors their performance.

#### Council Tax

In respect of Council Tax, the recovery procedures are as follows:-

* Bill/Demand – This can be paid direct to the Council in a variety of ways (see Section 5)
* First Reminder - Where a default occurs in payment of an account, a reminder letter is issued
* Second Reminder - Where an account falls into arrears for a second time, a further reminder will be issued
* Final Notice - Where a third default occurs then a final demand will be issued

If the matter is not resolved at this stage then the debt will be referred to the Magistrates Court. The Council will issue a summons to the person or business to advise them of the court hearing. Additional costs will be incurred at this stage and added to the outstanding balance.

The Magistrates Court will consider the Council’s application for a Liability Order to be made. If granted, this provides the Council with the option to take any of the following recovery actions, which may result in additional costs being incurred and added to the balance:-

* The Council will attempt to contact the person or business by means of letter, email, telephone, SMS or visit to agree suitable arrangements for payment and warn of the potential for further action should the debt not be paid
* The Council will consider applying for an attachment to earnings from the person’s employer
* The Council will consider applying to the Department for Work and Pensions for deductions to be taken from the person’s state benefits
* Should these recovery methods prove unsuccessful then the Council will consider engaging Enforcement Agents to recover the debt or remove goods

Once a case has been referred to an Enforcement Agent the person or business will receive a notification from them giving up to 30 days to make a suitable repayment arrangement. By law, the Enforcement Agent is entitled to charge £75 for sending this notification.

People or businesses may be asked to provide details of their income and expenditure to establish a realistic repayment amount. If repayments are made as agreed, then no further costs become payable. However, failure to do so may result in the Enforcement Agents visiting the person’s or businesses address. By law, the Enforcement Agent is entitled to charge £235 for this visit and the full amount of the debt becomes payable immediately.

If the Enforcement Agent is unsuccessful in making contact with the person or business on this visit then details will be provided of how to contact them. There is the potential for further visits to take place if no contact or payment is received. The Enforcement Agent may have the option to remove goods for sale at auction, an action that will incur further costs. Alternatively, the Enforcement Agent may complete a report that could lead to a person’s imprisonment, a charge being placed against a person’s or businesses property or a bankruptcy or winding up order being made.

Should the above methods prove unsuccessful, but recovery of the debt is still considered appropriate, then the following recovery options may be considered providing that Enforcement Agents have certified that seizure of goods would not be enough to clear the debt:-

* This action might see the Council make a summons application to the Magistrates Court to set a means enquiry hearing for the court to consider the person’s financial position and ability to pay the debt. Should the court find that person to have wilfully refused or culpably neglected to pay the debt they may set an order for payment or impose a sentence for committal
* Should a person fail to attend the means enquiry hearing, or default on their order for payment, the court may issue a warrant for their arrest
* Other actions that are available to the Council are to apply to the County Court to place a charge on a person’s or businesses property to secure the debt or make an application for a bankruptcy or winding up order where the debt exceeds £5,000. In extreme circumstances, where further recovery action is not appropriate or the debt becomes uneconomical to collect, approval may be sought for the debt to be written off.

#### Business Rates

In respect of Business Rates, the recovery procedures are as follows:-

* Bill/Demand – This can be paid direct to the Council in a variety of ways (see Section 5)
* Reminder - Where a default occurs in payment of an account, a reminder letter is issued
* Final Notice - Where a further default occurs in payment then a final demand will be issued

If the matter is not resolved at this stage, then the debt will be referred to the Magistrates Court. The Council will issue a summons to the business to advise them of the court hearing. Additional costs will be incurred at this stage and added to the outstanding balance.

The Magistrates Court will consider the Council’s application for a Liability Order to be made. If granted, this provides the Council with the option to take any of the following recovery actions which may result in additional costs being incurred and added to the balance:-

* Attempts will be made to contact the business by means of letter, email, telephone, SMS or visit to agree suitable arrangements for payment
* Should this prove unsuccessful then the Council will consider engaging Enforcement Agents to recover the debt or remove goods

Once a case has been referred to an Enforcement Agent the business will receive a notification from them giving up to 7 days to make a suitable repayment arrangement. By law, the Enforcement Agent is entitled to charge £75 for sending this notification.

The Enforcement Agent may ask the business to provide details of its accounts to prove income and expenditure to establish a reasonable repayment amount. If repayments are made as agreed then no further costs become payable. However, failure to do so may result in the Enforcement Agent visiting the business address. By law, the Enforcement Agent is entitled to charge £235 for this visit, plus an additional 7½% for any debt above £1,500, and the full amount of the debt becomes payable immediately.

If the Enforcement Agent is unsuccessful in contacting the business on this visit then details will be provided of how to contact them. There is the potential for further visits to take place if the business does not contact or make payment. The Enforcement Agent may have the option to remove goods for sale at auction, an action that will incur further costs. Alternatively, the Enforcement Agent may complete a report that could lead to a notice of liquidation being served on the business. In the case of a sole trader, the Enforcement Agent may complete a report that could lead to the person’s imprisonment, a charge being placed on their property or a bankruptcy order being made.

Should the above methods prove unsuccessful, but recovery of the debt is still considered appropriate, then the following recovery options may be considered, providing that the Enforcement Agent has certified that seizure of the goods of the business would not be enough to clear the debt:-

* In the case of a sole trader, a summons application might be made to the Magistrates Court to set a means enquiry hearing for the court to consider their financial position and ability to pay the debt. Should the court find that the person has wilfully refused or culpably neglected to pay the debt they may set an order for payment or impose a sentence for committal
* Should the person fail to attend the means enquiry hearing, or default on their order for payment, the court may issue a warrant for their arrest
* In the case of a sole trader, the Council may apply to the County Court to place a charge on their property to secure the debt
* In the case of a sole trader, the Council may make an application to the County Court for a bankruptcy order, where the debt exceeds £5,000
* In cases of limited companies, the Council may make an application to the County Court for liquidation of the company

In extreme circumstances, where further recovery action is not appropriate or the debt becomes uneconomical to collect, approval may be sought for the debt to be written off.

**Sundry Accounts**

Unless there is an acceptable reason for the service-user to not pay, or a repayment plan has been agreed, then no account will be allowed to go three months beyond its due date without being paid. The Council will take further action to recover the debt using any of the following methods: -

* A Sundry Accounts Recovery Officer may visit the service-user’s address to collect the debt or negotiate payment by instalments
* The debt may be referred to a Debt Collection Agent (or Enforcement Agent in the case of commercial rents) to be recovered
* The Council may seek to obtain a judgement from the County Court enabling an application to be made to the High Court to use enforcement powers to remove goods or apply deductions from the service-user’s salary
* The Council may seek to use the services of external solicitors to consider a range of legal actions, including but not limited to, bankruptcy and insolvency

The Council will consider each of these recovery options dependent on the specific circumstances of the service-user. For example, certain debts may be of a sensitive nature or the service-user may be vulnerable. In such situations, the Council will always seek to agree a realistic arrangement for repayment of the debt.

In extreme circumstances, where further recovery action is not appropriate or the debt becomes uneconomical to collect, approval may be sought for the debt to be written off.

**Housing Benefit Overpayments**

Unless there is an acceptable reason for the person to not pay, or a repayment plan has been agreed, then the Council will take further action to recover the debt. When choosing one of the following recovery options, Council staff will balance the need to recover the debt promptly, the effect recovery will have on the person, the cost to the Council of the action and whether the overpayment has resulted from fraudulent action: -

* The overpayment may be suitable for recovery from any ongoing entitlement the person has to Housing Benefit. Notification of the recovery rate will be provided and is determined by regulations, however, where a person can evidence that the recovery rate will cause financial hardship then reduced rates may be negotiated
* In cases where the person is no longer in receipt of Housing Benefit yet continues to receive a prescribed state benefit, it may be possible to recover the overpayment by applying for an attachment to that benefit via the Department for Work and Pensions
* In cases where the person is no longer in receipt of Housing Benefit but is working, the Council can apply to their employer to make a Direct Earnings Attachment
* In certain circumstances, it may be possible to recover an overpayment from a third party (e.g. landlord / letting agent) if Housing Benefit was paid to that third party in respect of the person
* In cases where the person is no longer in receipt of Housing Benefit in Rotherham yet has been granted Housing Benefit elsewhere it may be possible to recover the overpayment by applying for deductions from the Council who are paying them the Housing Benefit
* In certain circumstances, it be may be possible to transfer an overpayment to the person’s Council rent account
* An External Recovery Officer may visit the person’s address to collect the debt or negotiate payment by instalments
* The overpayment may be referred to a Debt Collection Agent to be recovered
* The Council may seek to obtain a judgement from the County Court enabling the use of enforcement powers to remove goods or apply deductions from the person’s salary
* The Council may seek to use the services of external solicitors to consider a range of legal actions, including but not limited to, bankruptcy and insolvency

The Council will consider each of these recovery needs dependent on the person’s specific circumstances. For example, the person may be vulnerable. In such situations, the Council will always seek to agree a realistic arrangement for repayment of the debt.

In extreme circumstances, where further recovery action is not appropriate or the debt becomes uneconomical to collect, approval may be sought for the debt to be written off.

1. **STANDARDS, COMPLAINTS & WHERE TO FIND MORE INFORMATION**

All services procured by the Council that charge for the collection of debt are required to comply with corporate standards of service. A list of these services can be found at:- <https://www.rotherham.gov.uk/downloads/download/7/tenders-and-contracts>

Any person, business or service-user can contact the Council by several contact channels to either make a complaint, compliment, or comment about Council services. These channels include:-

* Completing the form at [Complaints – Rotherham Metropolitan Borough Council](https://www.rotherham.gov.uk/homepage/39/complaints)
* Writing to, or emailing The Revenues, Benefits & Payments Department, Floor 3C, Riverside House, Main Street, Rotherham, S60 1AE (for Sundry Accounts, service-users should in the first instance write to or telephone the service contact identified on the invoice that was issued for the services provided). E-mail: recovery@rotherham.gov.uk
* Telephoning on 01709 336070

All contacts are then managed within the Council’s corporate guidelines of responding to a Stage 1 customer complaint or comment. Further details on the process, and a copy of the complaints procedure, are available at:- [www.rotherham.gov.uk/council/complain-council-services](http://www.rotherham.gov.uk/council/complain-council-services)

For more information relating to Council Tax, Business Rates, Sundry Accounts and Housing Benefit Overpayments please contact:-

### The Revenues, Benefits & Payments Department, Floor 3C, Riverside House, Main Street, Rotherham, S60 1AE.

### Telephone: 01709 336070

### E-mail: recovery@rotherham.gov.uk

### Website: [www.rotherham.gov.uk](http://www.rotherham.gov.uk)