

London Borough of Barking and Dagenham

Debt Management Policy

2024

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The Council is committed to continuous improvement, and it is critical that new approaches and ways of working will be introduced. This policy will be reviewed annually to allow it to be updated and to take any service improvements or changes into account.

This procedure may be reviewed earlier than the Review Date in the event of significant developments requiring changes to the document.

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1. Introduction

This document sets out how Barking & Dagenham Council will collect and recover income due to the council. It identifies the principles to be applied to debt management across the council and aims to ensure that all monies due are collected and that debt owed to the council is kept to a minimum. This is because the council has both a legal duty and a responsibility to its citizens to ensure that income due is paid promptly.

The council is committed to using the most effective recovery methods available and this policy ensures that the council complies with relevant legislation, official guidance, and best practice in meeting the following objectives:

- all debtors, taxpayers and ratepayers are treated fairly.
- use of best practice is adopted.
- a coordinated approach to managing debt is followed.
- to identify appropriate support which may be required and ensure circumstances are taken into consideration.
- action taken is fair and open, and that no debtor receives less favorable treatment because of their race, nationality, color, ethnic or national origin, religious belief, gender, marital status, sexual orientation, age, or disability.

This policy applies to all sums owing to the Council and has been developed to ensure a consistent approach to the management of debts across the Council. The main types of debt are:

- Council Tax
- Housing Benefit Overpayments – this occurs when benefit is paid that the claimant is not entitled to.
- Sundry debt – the fees and charges made for a wide range of Council Services e.g. trade waste, nurse fees, insurance etc.
- Adult Social Care Debt such as care costs
- Business Rates
- Rent for council properties including houses and flats, garages, and commercial property.
- Leasehold properties
- Parking charges and PCN's

2. Background

The council will ensure that when recovering debt it will take account of the guidance issued by the Local Government Ombudsman, [Focus Reports and Good Practice Guides - Local Government and Social Care Ombudsman](#). The council will pause all recovery action recommended in this policy whilst a debtor is in debt respite, also known as “breathing space,” in accordance with The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020. All cases will be considered for discounts and reliefs that may be appropriate before taking debt recovery action.

3. Income Collection Principles

Different debt types attract different debt recovery processes, some of which are governed by legislation.

The following principles are applied to all debt recovery processes and the different approaches are detailed in Appendix A of this document.

- All demands/invoices will be issued as soon as practicable and where appropriate within legislative requirements.
- All demands/invoices will be sent to the correct address and the person(s)/company/organisation liable to make payment.
- Where known, the appropriate discounts/reliefs/benefits will be applied prior to the sending of the demand/invoice.
- Customers that fail to make payment or fall behind will be reminded as soon practicable.
- The Council will be open to discussing repayment of debts with customers and will agree to bespoke repayment plans where appropriate.
- Where debt recovery action is required, the most appropriate and effective method will be used to maximise income collection.
- Wherever possible payment via Direct Debit will be promoted.
- Customers experiencing severe financial difficulty will be given support and referred to the Homes and Money hub or sign posted to an appropriate supporting body e.g. Citizens Advice Bureau
- Vulnerable customers will be referred to supporting departments within the Council or signposted to voluntary sector partners.
- Any disputed charges will be investigated fully, and if appropriate debt recovery action suspended.
- Where appropriate debts that cannot be collected will be written off.

4. Fraud Prevention Privacy Notice

The personal information we have collected will be shared with fraud prevention agencies who will use it to prevent fraud and money-laundering and to verify your identity. If fraud is detected, certain services, finance, or employment may be refused.

Further details of how information will be used by us and these fraud prevention agencies, and data protection rights, can be found on the Barking & Dagenham Council website here: [Privacy notices | London Borough of Barking and Dagenham \(lbbd.gov.uk\)](https://www.lbbd.gov.uk/privacy-notice)

Barking & Dagenham Council will not accept deliberate manipulation or fraud, and any instances are taken very seriously and are actively investigated. Any individual who falsifies their records or dishonestly provides inaccurate information to make a financial or otherwise gain, will face prosecution. The council reserves the right to recoup funds paid in error, or via fraudulent misappropriation.

5. Summary of Debt Collection Process

Council Tax

Council tax is charged on domestic properties and the amount of council tax payable is dependent on the council tax band. Some taxpayers will be eligible for a reduction in the amount payable through discount, exemption, or support. The statutory guidance for the collection and recovery of council tax is the Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992.

Payment is due annually and a taxpayer has a statutory right to pay by ten (April to January) or, on the taxpayer request, twelve instalments (April to March). The instalments are due on a date specified by the Council. Reminders and final notices will be issued in accordance with statutory timescales.

Where an instalment is not paid a reminder will be issued, failure to make payment will result in a Final Notice being issued removing the right to pay by instalments, this will be followed by a summons. If a third instalment is missed within the same financial year the right to pay by instalments is rescinded and the debt is payable in full.

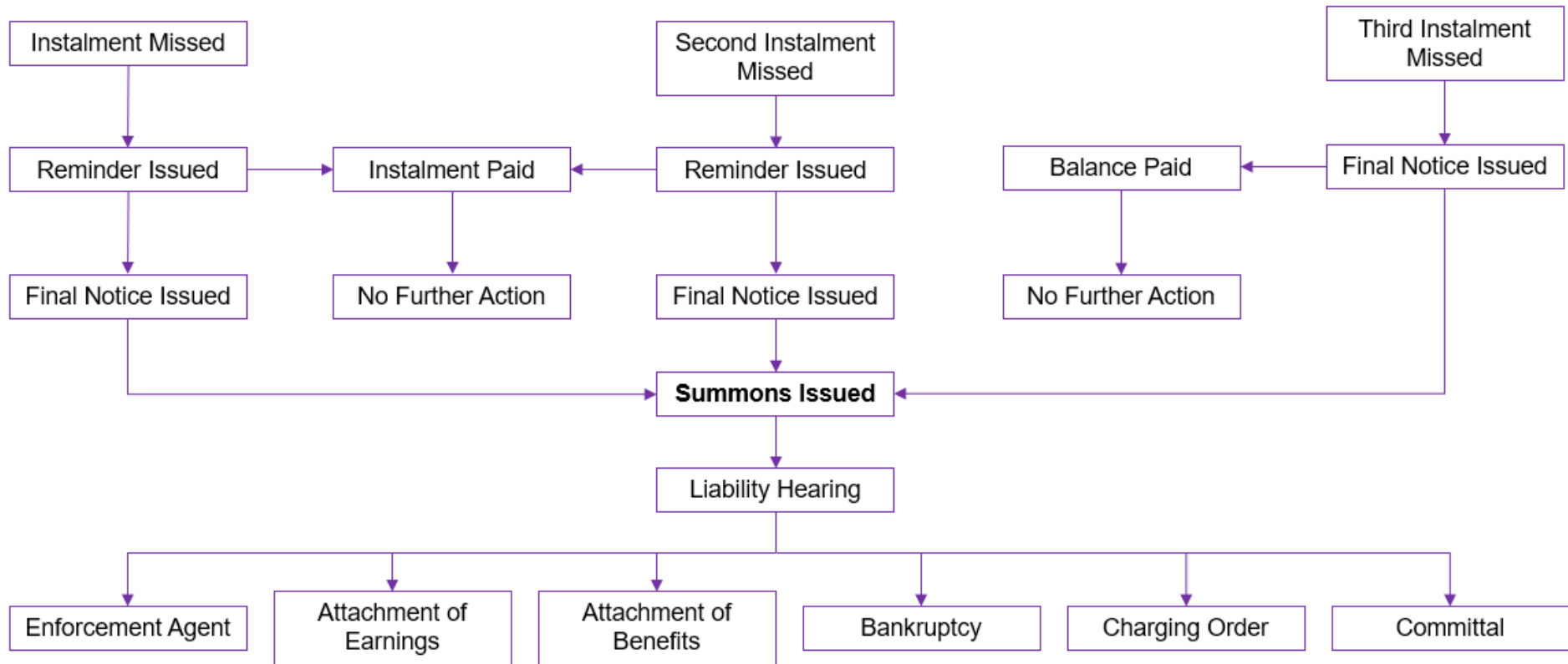
Where a summons is issued, the Council will apply to Magistrates' court for a liability order allowing for further debt recovery action to begin. Additional costs will be applied at this point.

When the Liability Order has been obtained, and where no arrangement is in place, the Council will look at each account and make a decision as to the appropriate recovery action. These are:

- Attachment of earnings
- Attachment of Benefits
- Enforcement Agents
- Bankruptcy
- Charging Order
- Committal

Flow chart on the following page shows the debt recovery process for Council Tax:

Actions taken within the same financial year



Business Rates

Pre-Summons

The statutory authority for collection and recovery of Business Rates in within the Local Government Finance Act 1988 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (as amended).

Business rates are due annually and the ratepayer has a statutory right to pay over ten months (April to January) or, on the ratepayer request, twelve instalments (April to March). The instalments are due on a date specified by the council. Reminders and final notices will be issued in accordance with statutory timescales.

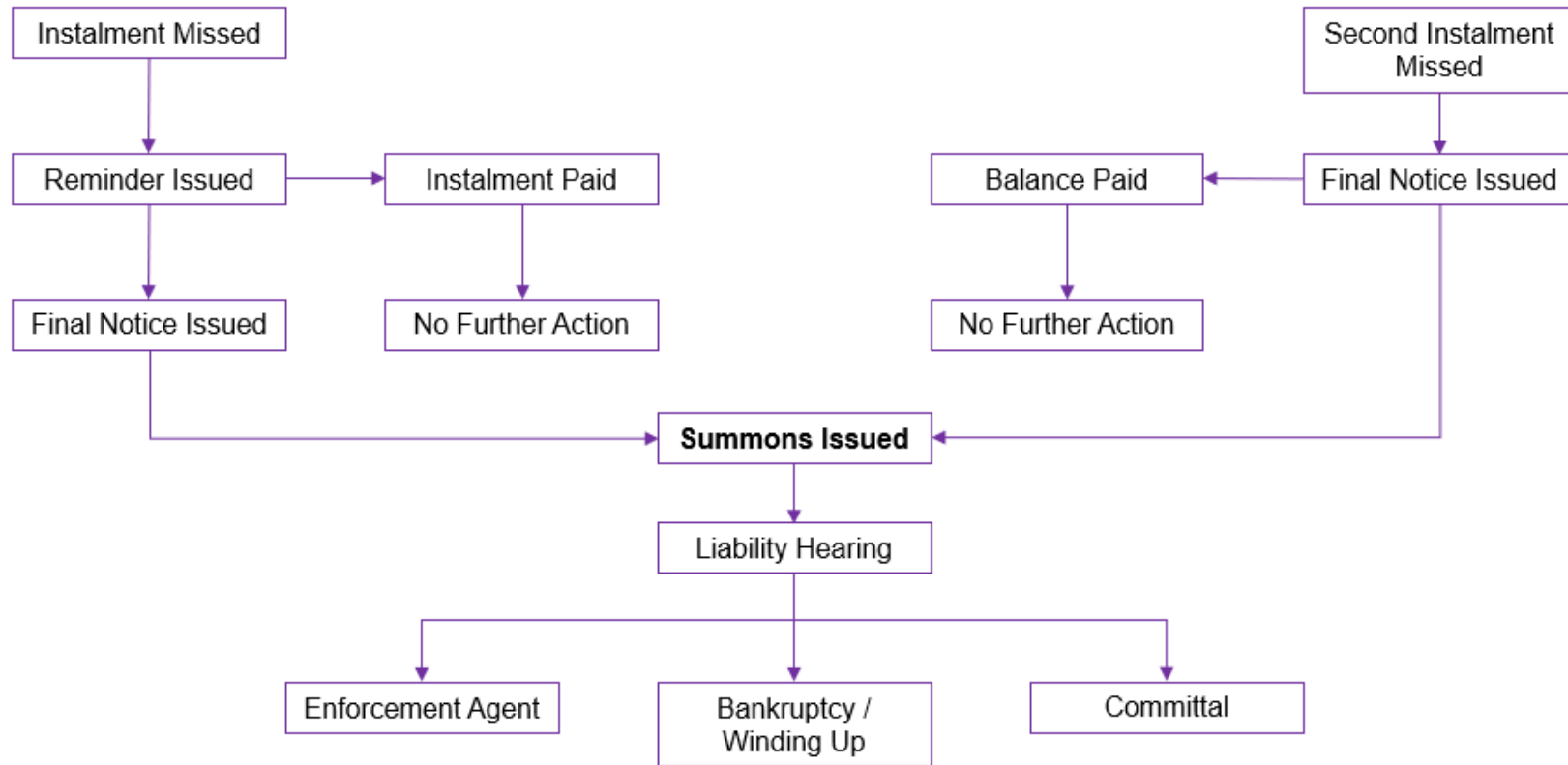
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Where a summons is issued, the Council will apply to Magistrates' court for a liability order allowing for further debt recovery action to begin. Additional costs will be applied at this point.

When the Liability Order has been obtained, and where no arrangement is in place, the Council will look at each account and make a decision as to the appropriate recovery action. These are:

- Enforcement Agents
- Bankruptcy/winding up.
- Committal (non-company accounts)

Actions taken within the same financial year



Overpayments of Housing Benefit

Overpayments arise through changes in benefit entitlement. The council have processes to minimise overpayment and to ensure that where they do occur, they are identified promptly and if recoverable this is done using the most appropriate method of recovery.

In all cases where an overpayment has arisen the council will consider whether an official error has caused or contributed towards the overpayment.

Where the council has identified an overpayment, which was caused or contributed to by an official error, it must decide whether recovery of the overpayment is appropriate under the guidance issued by the Department for Work and Pensions.

Official error overpayments are only recoverable if the claimant or the person from whom recovery of the overpayment is sought could reasonably have known that an overpayment was occurring at the time the overpayments were being made.

Recovery will be from the following:

- the claimant
- the person to whom the payment of benefit was made.
- the person who misrepresented or failed to disclose the material fact.
- the partner of the claimant if the partner was living with the claimant at the time of the overpayment and at the time the decision to recover was made.

In all cases where recovery of an overpayment is sought the council will have regard to its' statutory duty to protect the loss from public funds but in doing so have regard to:

- the length of time the recovery of the overpayment may take.
- the effect of recovery on the affected person
- the ability of the affected person to repay the debt.

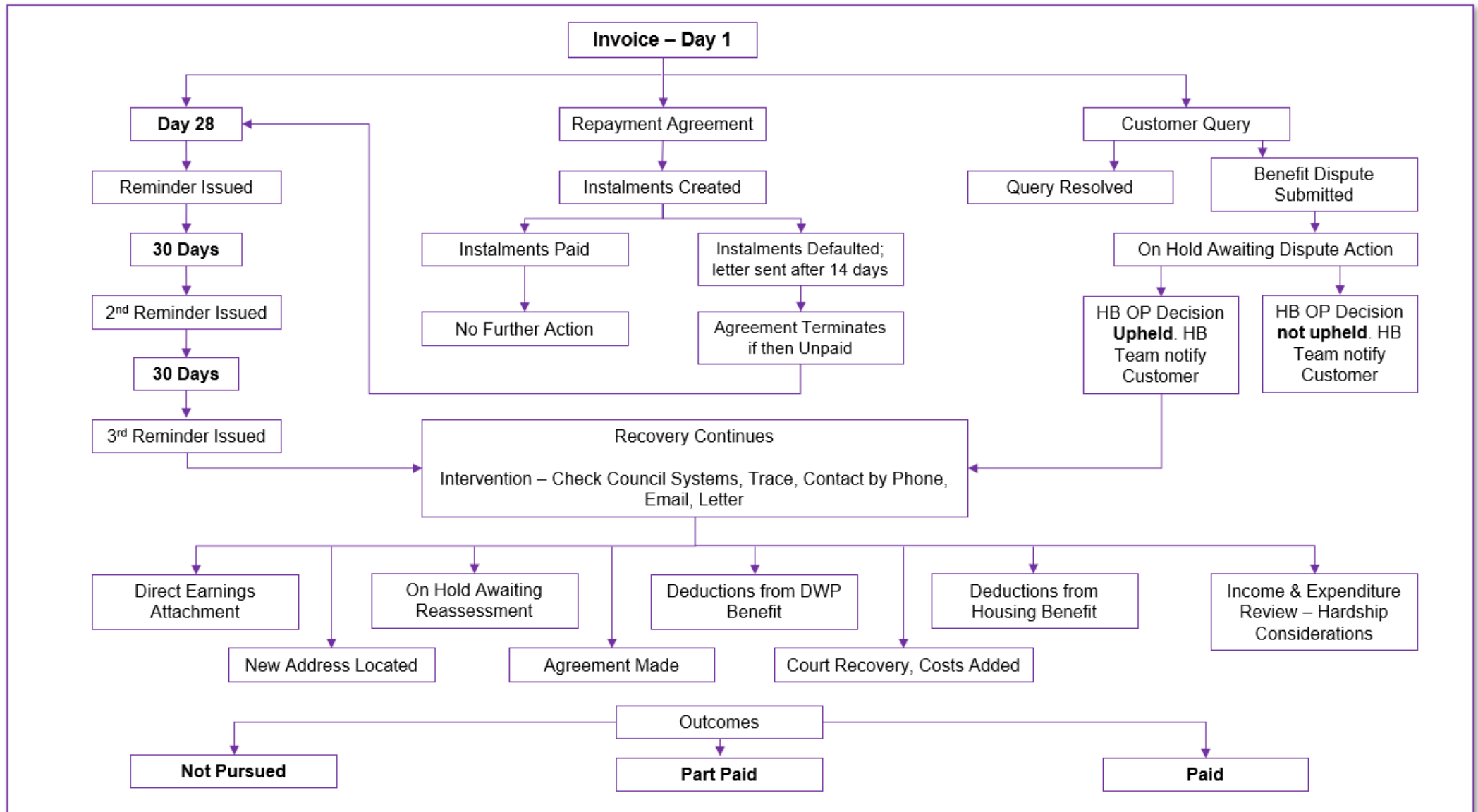
When an overpayment has been identified the person from whom the overpayment is recoverable will be sent a determination letter and an invoice. If the claimant remains in receipt of housing benefit, then deductions will be set and advised in the determination letter. Where the claimant is not in receipt of housing benefit and neither response nor payment is made, three reminders will be sent and if still no contact has been made then the most appropriate recovery action will be considered.

If the claimant makes contact a repayment arrangement will be made with the minimum being the level at which deductions can be made from local or state benefit. If this is not possible an income and expenditure form must be completed, and the arrangement reviewed after 12 months. For lower value debts a smaller arrangement can be made without the need for the form to be completed.

If you are already receiving Housing Benefit or Universal Credit Housing Element, we may be able to give you more financial assistance towards your rent. Discretionary Housing Payments are free standing payments we can provide if you receive Housing Benefit and/or Universal Credit.

To access full details on the please click the following link [Discretionary Housing Payments \(DHP\) | London Borough of Barking and Dagenham \(lbbd.gov.uk\)](#)

- The methods of recovery for housing benefit overpayments are:
- on-going deductions from further payments of housing benefit (fixed statutory rate)
- deductions from other Department for Works and Pensions benefits (fixed statutory rate)
- recovery from another local authority (where the debtor is in receipt of housing benefit from that authority)
- issuing a Direct Earnings Attachment (DEA)
- referral to an external debt collection agency (if unpaid after using the above options)
- apply to the County Court for a County Court Judgement (CCJ). With a County Court Judgement further recovery action can be taken by way of issuing a Questioning Order to obtain personal information as to employer to attach the debtor's earnings
- where the overpayment is recoverable from a landlord deduction from current benefit payments



Sundry Invoices

Invoices for all other services provided by the council or monies due to them for other reasons will be raised in a timely manner. Some examples of invoices issued are commercial rents, commercial insurance, service charges, licences, fees and charges, trade waste, school salaries and recharges, dropped kerbs, staff salary overpayments, environmental fines and guardianship clawbacks.

Once the invoice is issued, payment terms are 21 days unless otherwise required by the service area.

A total of 3 reminder letters are issued before further recovery commences.

Letter 1 will be issued where payment is not made by the due date.

Letter 2 will follow 14 days later if no payment or contact received after letter 1.

Letter 3 will follow 7 days later if there is still no contact or payment.

Where payment is not made following the issue of 3 reminder letters, contact will be attempted via telephone, email or letter depending on the contact information available.

If there is still no contact, checks will be carried out on council tax if the customer lives locally to confirm if details are the same or have changed. If new information is available, contact will be attempted by telephone, email or letter again.

If the customer lives out of borough, a credit search will be carried out and if new information is available, contact will be attempted again.

At any point if the customer (individuals or small businesses) contacts us and is unable to pay in full, we will consider an instalment plan and will work them to review their income and expenditure.

For large and small businesses invoiced for services such as Trade Waste, Commercial Rent, Commercial Insurance, and Environmental fees we liaise with the relevant department, the Business Rates to confirm who is at the property and also complete a search on Companies House to see if a company is still operating or if they have gone into liquidation.

For larger companies, local authorities, government, and health organisations, payment is due in full at any point of contact.

Before a final notice is issued, we liaise with the various service areas.

Where invoices are queried/disputed email contact will be made with the service area to facilitate a response to the customer. The expectation is that the service area will respond within 10 working days; if this is not possible, they will advise, within that period, when a reply can be expected.

If nothing is heard, then a reminder to the service area will be sent and if no response within a further 5 working days, then the email thread will be sent to the budget holder asking them to arrange a response within 5 working days. They are also to be advised that the absence of a response will result in a detailed update escalated to their respective Director.

At the end of every month a report will be distributed to all service managers showing all outstanding invoices over 60 days by cost centre, this will be in addition to any specific reporting requirements requested by service managers. This report is for information only and

if the service manager wishes to make contact with any debtor, they must firstly liaise with the Sundry Debt Team so as not to compromise any action being taken by them.

Where debts such as Commercial Rent and Leasehold Service Charges are charged quarterly in advance as per the terms of the lease, reminder letters will be sent as above. Relevant departments' checks/liaisons are carried out and where necessary, credit checks are undertaken.

All movement in and out of properties are instructed by Legal Services and passed on to the Sundry Debt Team. The Sundry Debt Team will be instructed further if there are discrepancies and disputes.

Any decision to cancel or reduce charges and /or refund money is instructed from the relevant issuing department.

For commercial Rent, weekly meetings are held with the department and where arrears are increasing with no formal repayment arrangement in place instructions/guidance must be sought from Property Services.

Recovery actions are:

For continuing tenancies a warrant can be issued, without a court order, to the Enforcement Agency. This should not become a standard action as the debtor will just wait for that to happen each time. Issuing a warrant could mean the contents of the property being removed which could mean trading ceases so this must be taken into consideration.

Property Services can consider termination of the tenancy.

A court summons will be considered if there are arrears after the tenancy has been terminated.

For Leasehold Service Charges, we send out monthly reminder letters and consider further recovery when a Leaseholder does not pay anything for 2 quarters. Manual efforts to contact the Leaseholder will continue before a decision is made to take Legal action.

In some instances, the lender will pay on the Leaseholder's behalf, but many will request that we have a judgement first. The debt will be referred to the council's legal department to issue a county court summons, obtain a judgement, then a charging order.

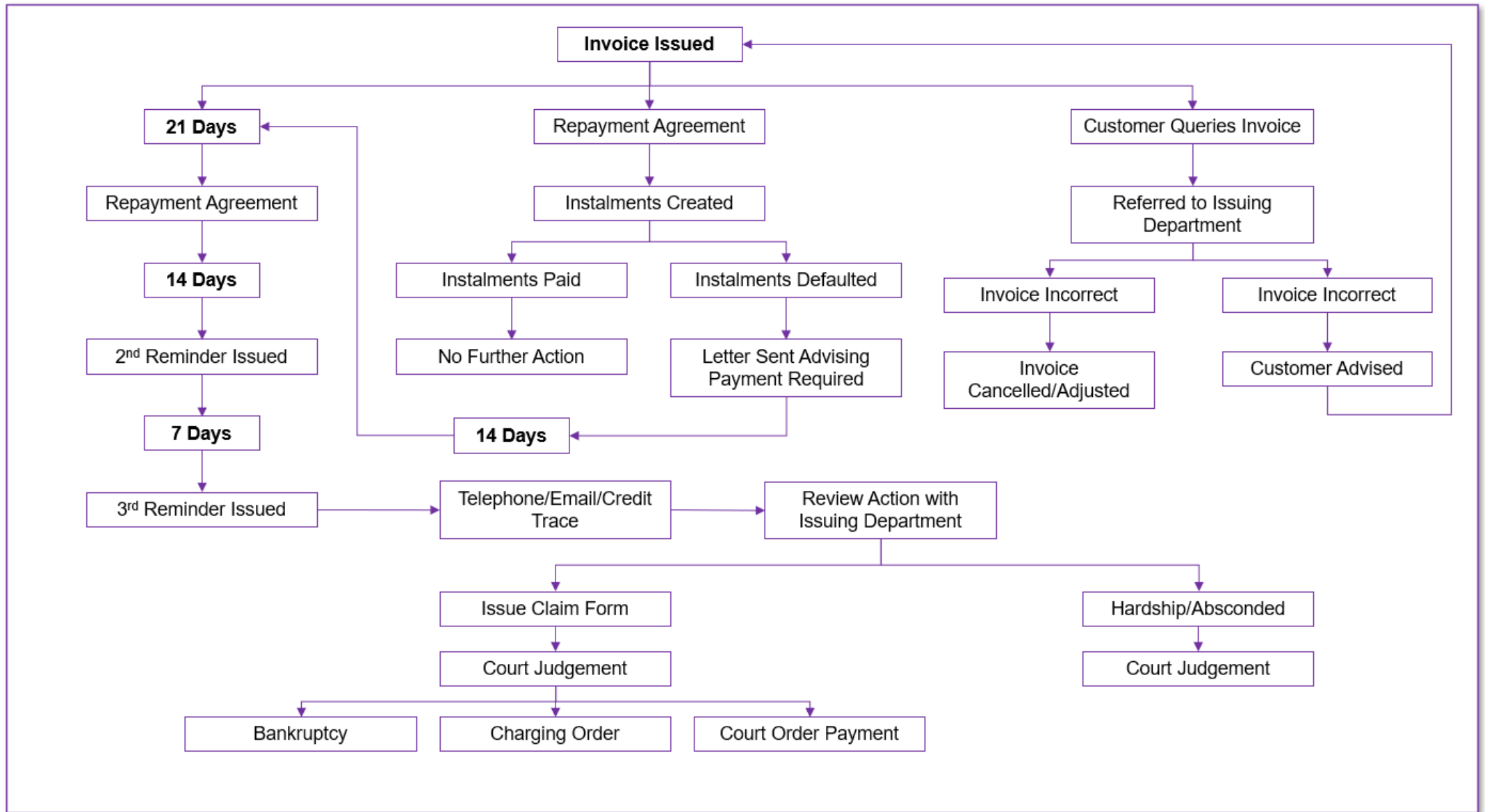
Across all debt streams, once all necessary actions have been taken, if we still cannot reach a resolution, a referral for court action is progressed to the legal department.

The following actions apply:

- Letter before Action
- County Court Summons
- Judgement

We can enforce the judgement by:

- Obtaining a Charging order
- Bankruptcy
- Attachment of Earnings



Adult Social Care and Support

Charges for Care and Support

A person or their legally empowered representative should be informed that care and support is a chargeable service prior to council funded care being arranged.

A financial assessment or “light touch” (see Fairer charging policy) assessment will be carried out to establish how much an individual can afford to pay, except where a person doesn’t wish to have an assessment and agrees to pay the full cost for care.

The person’s authority and agreement must be obtained before sending invoices to a representative, unless that person has legal authority, such as lasting power of attorney (LPA) for property and finances.

The outcome of the financial assessment will be confirmed in writing to the person, as well as information about how and when charges will be collected, and how to request a review or appeal a charge.

The Care Act 2014, provide a framework that enables a council to charge a person when it is arranging to meet care and support needs and allows the Council to take the appropriate debt recovery action.

Guiding Principles

- The council’s statutory duty of care towards people assessed as needing care and support services remains. It should also consider how different approaches might impact on a person’s wellbeing, in line with the general duty to promote a person’s wellbeing.
- If there are doubts about a person’s capacity or safeguarding concerns, including financial abuse, the matter will be referred to social care professionals.
- Where a Deferred Payment Agreement (DPA) could be offered i.e. a person meets the eligibility criteria for a DPA, debt recovery through County Court does not apply unless the person has been offered a DPA as a means to recover sums owed in the first instance. Only where a person is not eligible or has refused, will the council proceed to recover the debt through the County Court.
- If an individual, or the person acting as their representative, fails to pay the contribution within the timeframe specified, the council will initiate debt recovery action.
- Before pursuing any debt recovery action, the local authority must be satisfied that it has undertaken its Public Sector Equality duties.

Reasons for Non-Payment or Disputed Invoices

A dispute may arise for various reasons. Where an invoice is disputed debt recovery will not be started and any existing action will be halted until the dispute is resolved. investigated fully and resolved in a timely manner. Reasons for non-payment can include.

- **Issues with service delivery** - This may be due to service not being received or the person being dissatisfied with the standard of service received. This should be raised with your Social Worker and Adults in the first instance.

- **Person believes they are entitled to Continuing Healthcare (CHC)** – If a person believes they are entitled to continuing health care (CHC) funded by the NHS, and is awaiting the outcome of an assessment, invoices for any social care funded service will continue to be sent until CHC funded care has been confirmed. This should be raised with your Social Worker and Adults in the first instance.
- **Person states they cannot afford the charge** – If a financial assessment has been undertaken then the person should be able to afford the charge. Disputes tend to arise if the person has outgoings, such as credit card bills or loan repayments which are not an allowable expense. The person will be supported with getting debt management advice by referral to relevant agencies.
- **No attorney or deputy in place** - In some cases the person will lack capacity and there will not be anyone with the authority to act on the person's behalf. Invoices should continue to be issued, but recovery actioned suspended until someone has been given legal authority to act for the person.

Recovery of Charges

When an invoice is not paid by the due date, the council will consider the full range of options available to recover debt. Within the Care Act is an obligation to have considered and evidenced well-being. This should be followed through within debt recovery processes.

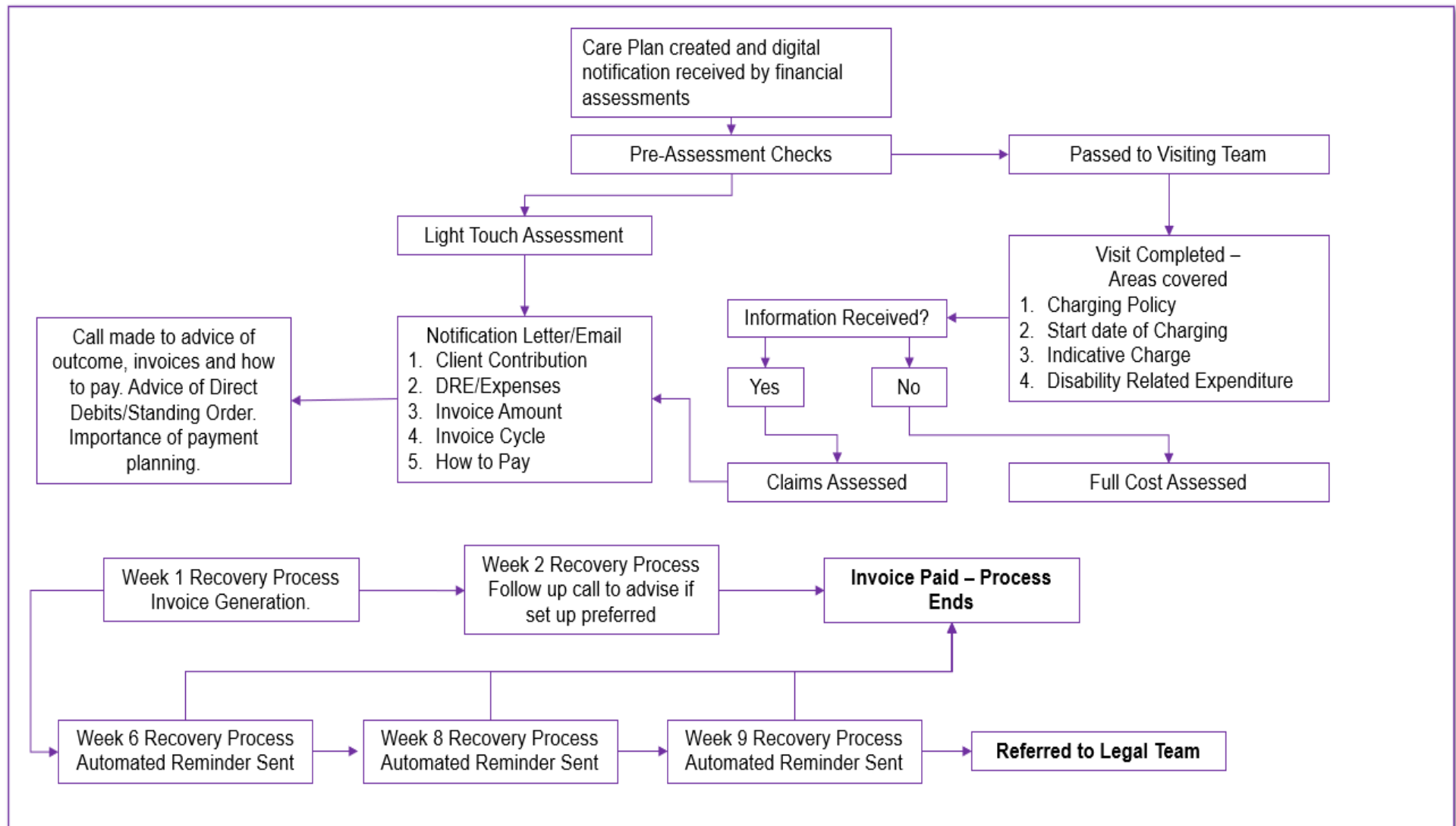
Options may include negotiating a repayment plan, using an advocate to help the person understand the options available to them, supporting the family to gain a power of attorney or deputyship, the local authority itself applying to be a deputy or the use of independent mediation.

If a person has mental capacity to make financial decisions, the council may proceed to recover debts owed through the County Court, this action will be taken as a last resort, after all reasonable alternative avenues have been taken to recover the debt and it is economically viable to do so. The council will have regard to [Practice Direction – Pre-Action Conduct and Protocols - Civil Procedure Rules](#) provided by the Ministry of Justice and any associated guidance when doing so.

Recovering from an estate

The council will make a claim against the estate of a deceased person.

The process for citation and application for a grant to a creditor is governed mainly by the Non-contention Probate Rules 1987



Rents

The setting of the rent for council properties and other housing charges is a Cabinet function. The basis for setting rent is Section 24 of the Housing Act 1985 which provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses.

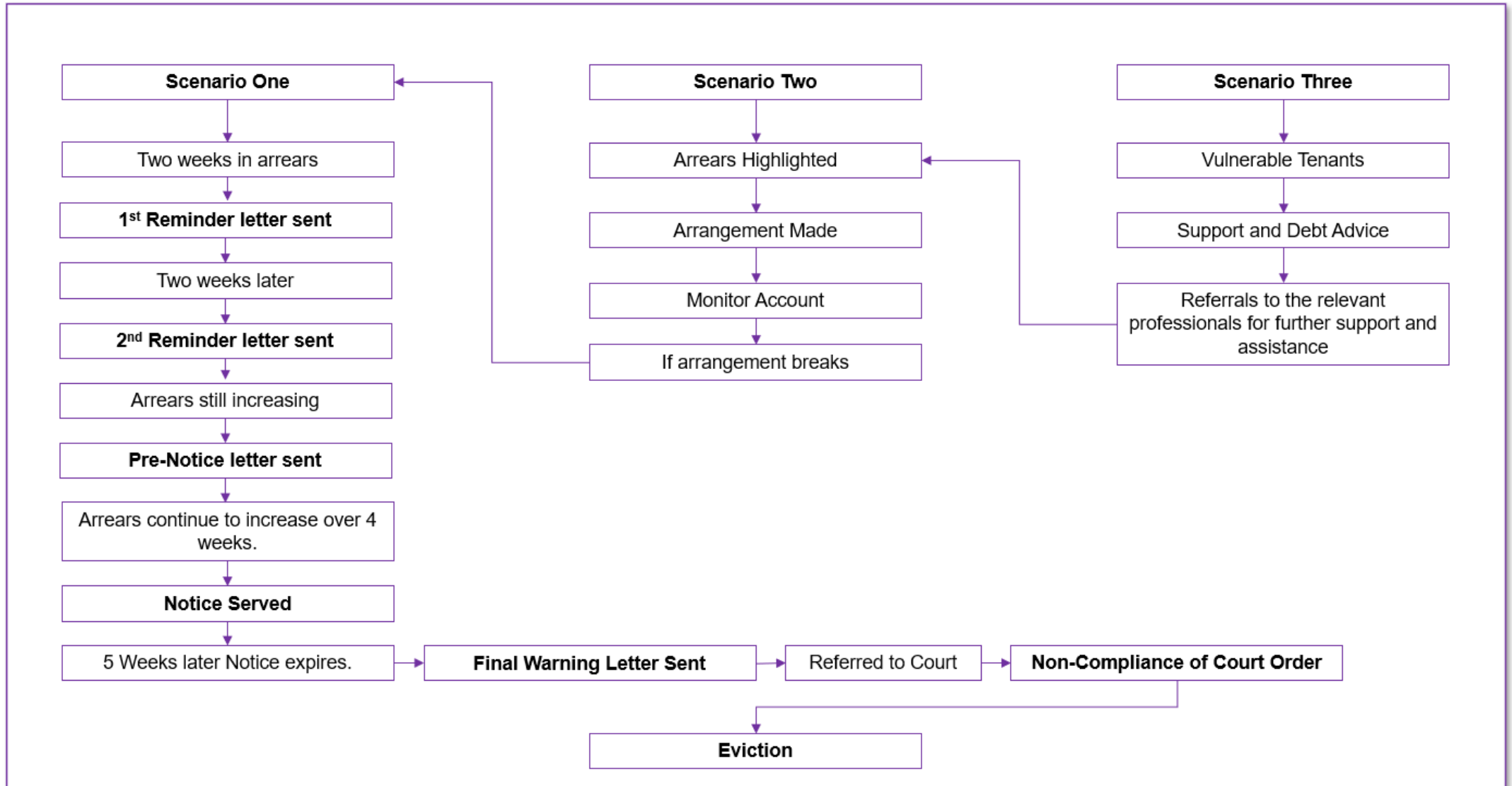
Rent for council properties are charged weekly, the amount of rent payable is dependent on the number of bedrooms and type of property.

Recovery Process

- Non- payment of rent for 2 weeks prompts recovery action and automated reminder letters are sent.
- If over 4 weeks full rent is not paid and there has been failure to engage and make a reasonable arrangement to clear the rent arrears. A Notice Seeking Possession will be served to the tenant/s. (If it is an Introductory tenancy a Notice of Possession Proceeding will be served)
- If the arrears are cleared before the expiry date on the notice that notice is no longer valid.
- If all the rent arrears cannot be cleared during this period an appropriate arrangement can be made by the tenant and the Rents department, if this is adhered to, no further recovery action is needed. But the notice will be valid for one year.
- Once the notice has expired if there has been no arrangement made or engagement by the tenant, recovery action will continue.
- Once the Final Warning Letter has been sent if the arrears continue to increase and there is still no engagement the case will be referred to our Court Team.
- Pre-action protocol will be applied to ensure the account meets the criteria for an application to the County Court.
- A possession claim will be logged, and a court hearing date will be set.
- Confirmation of the court hearing date and time will be sent to the tenant with a rent statement and what type of possession order we intend to seek based on current position of the rent account.
- Case will be presented to the District Judge at County Court and relevant possession order/court outcome will be requested.
- The tenant will be notified and has the right to be in attendance at the court hearing.
- If the terms of the possession order are not complied with then consideration will be given to applying for an eviction warrant.
- Eviction Ratification process will be undertaken to try and establish tenant's circumstances, this will be presented to a Senior Housing Panel where a decision will be made as to whether to proceed with an eviction.
- If an eviction is approved a request for a warrant will be submitted to the County Court.
- Confirmation of this will be sent to the tenant.
- Tenant has right to make an application to the County Court to suspend the eviction warrant.
- If no submissions are made the warrant will be executed.

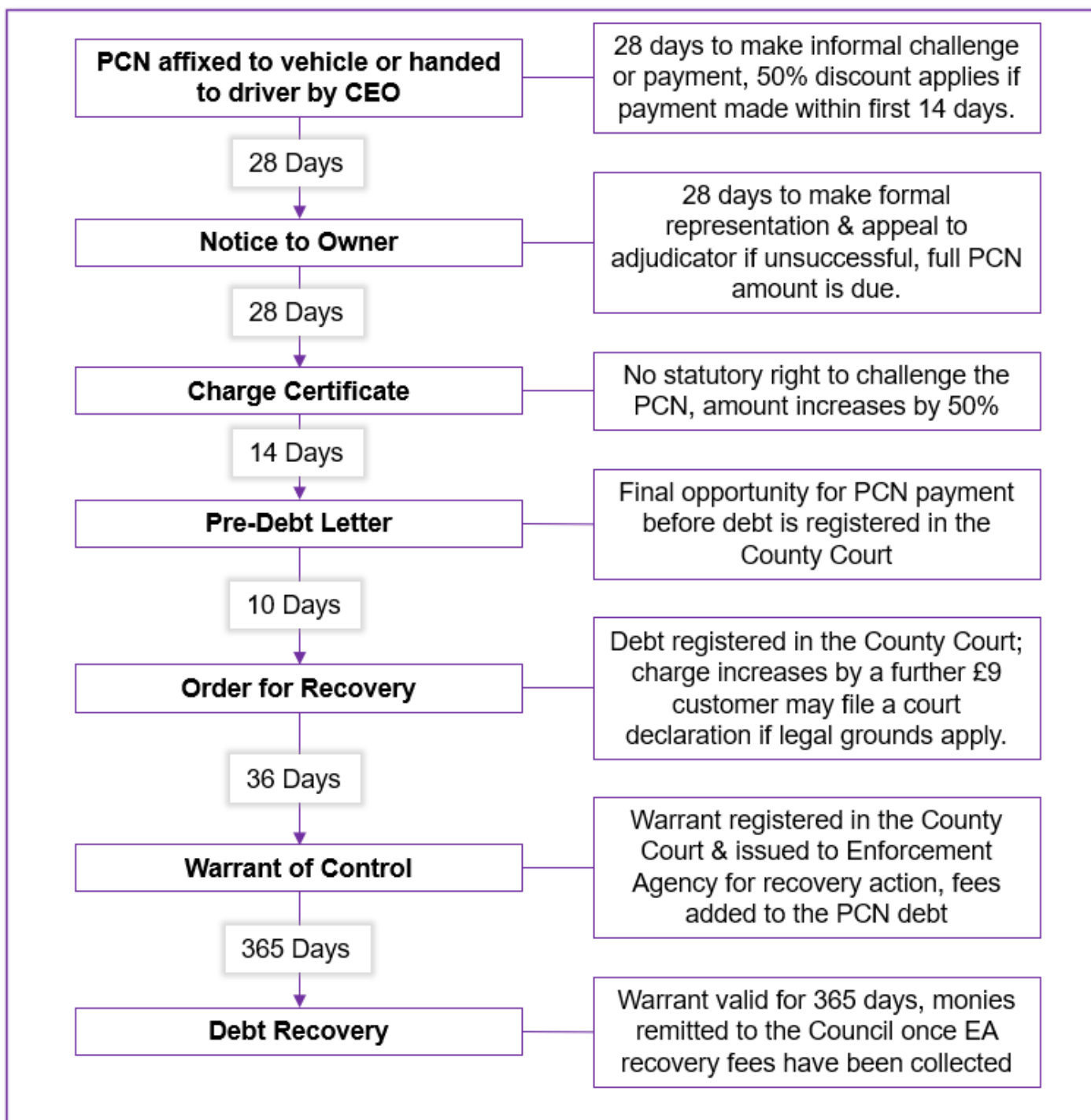
During the entire rents recovery process tenants are actively encouraged to engage and make an arrangement with the Council to pay their rent arrears to prevent evictions.

Please see flow chart for Rent Recovery Process.

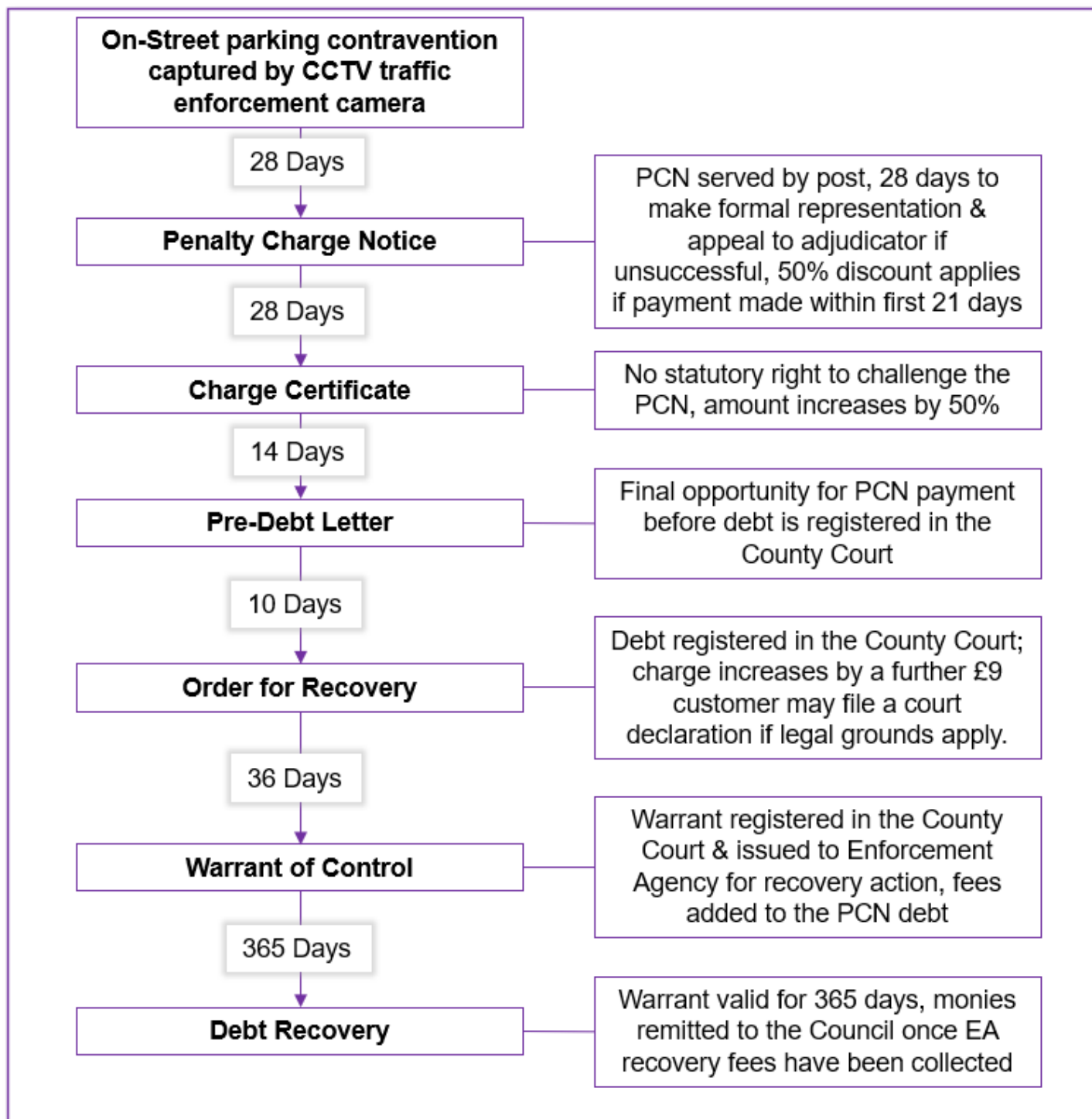


Parking

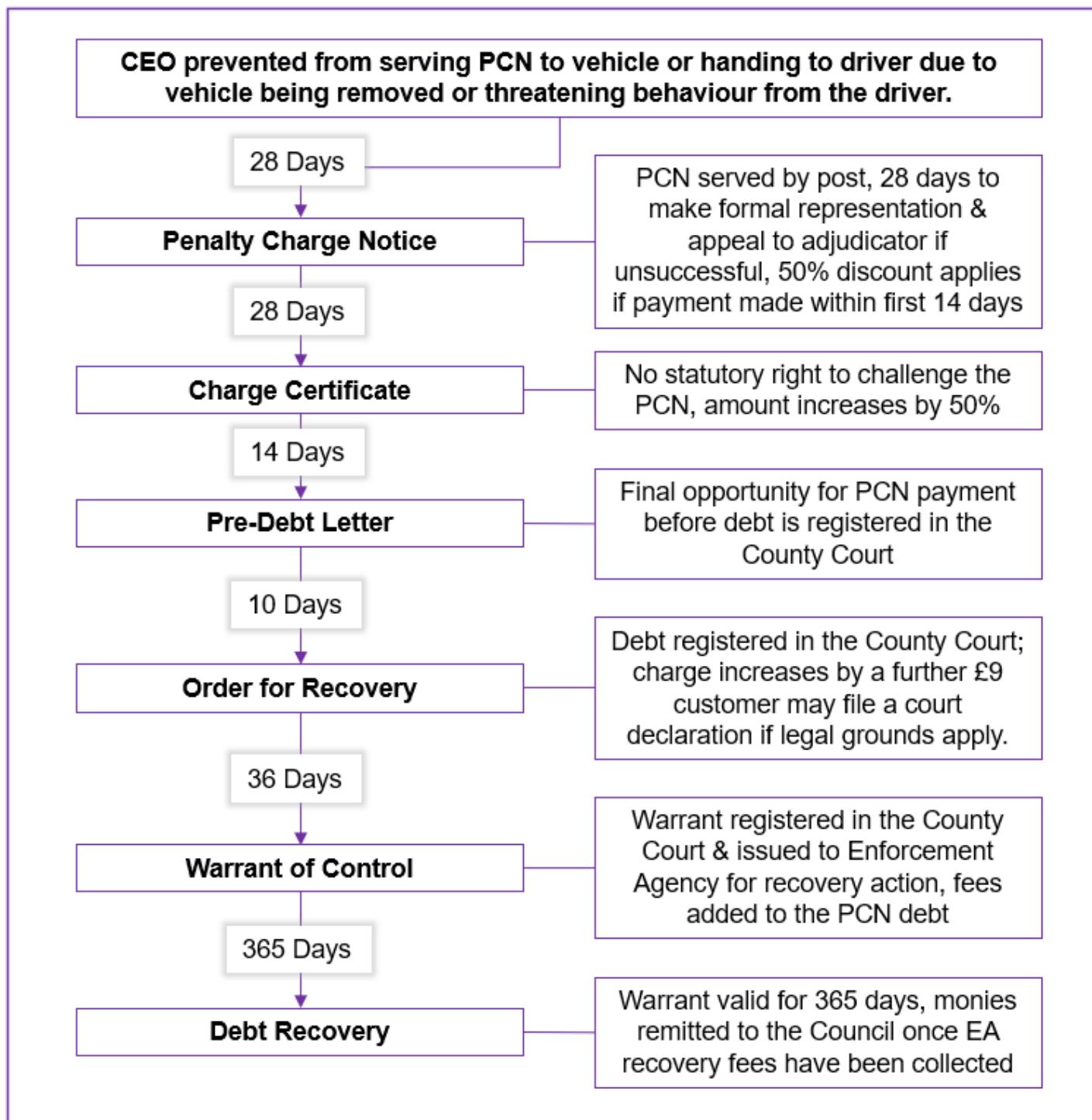
PCNs served by Civil Enforcement Officer under the Traffic Management Act 2004



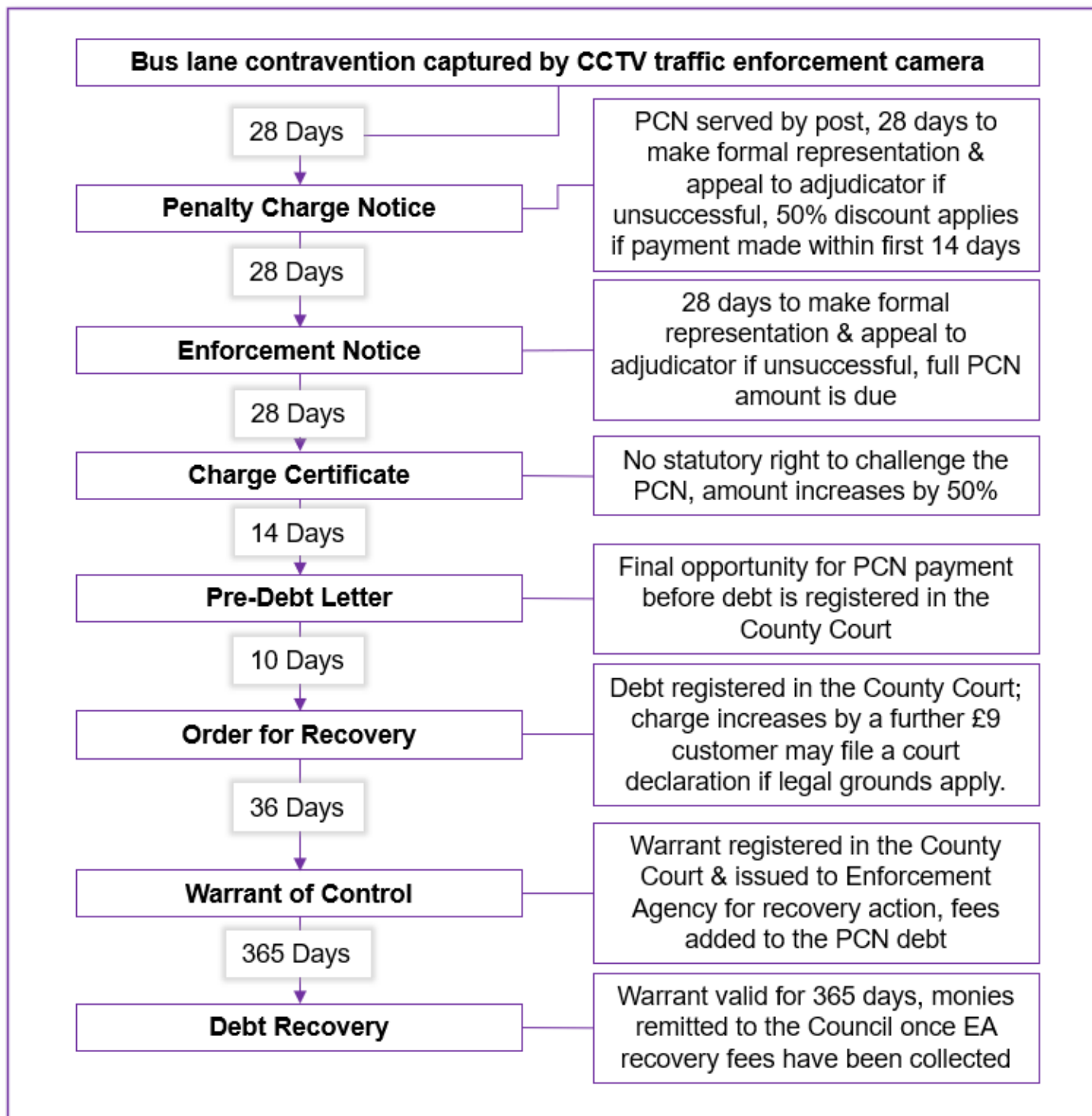
PCNS served by post under the Traffic Management act 2004 – CCTV Capture



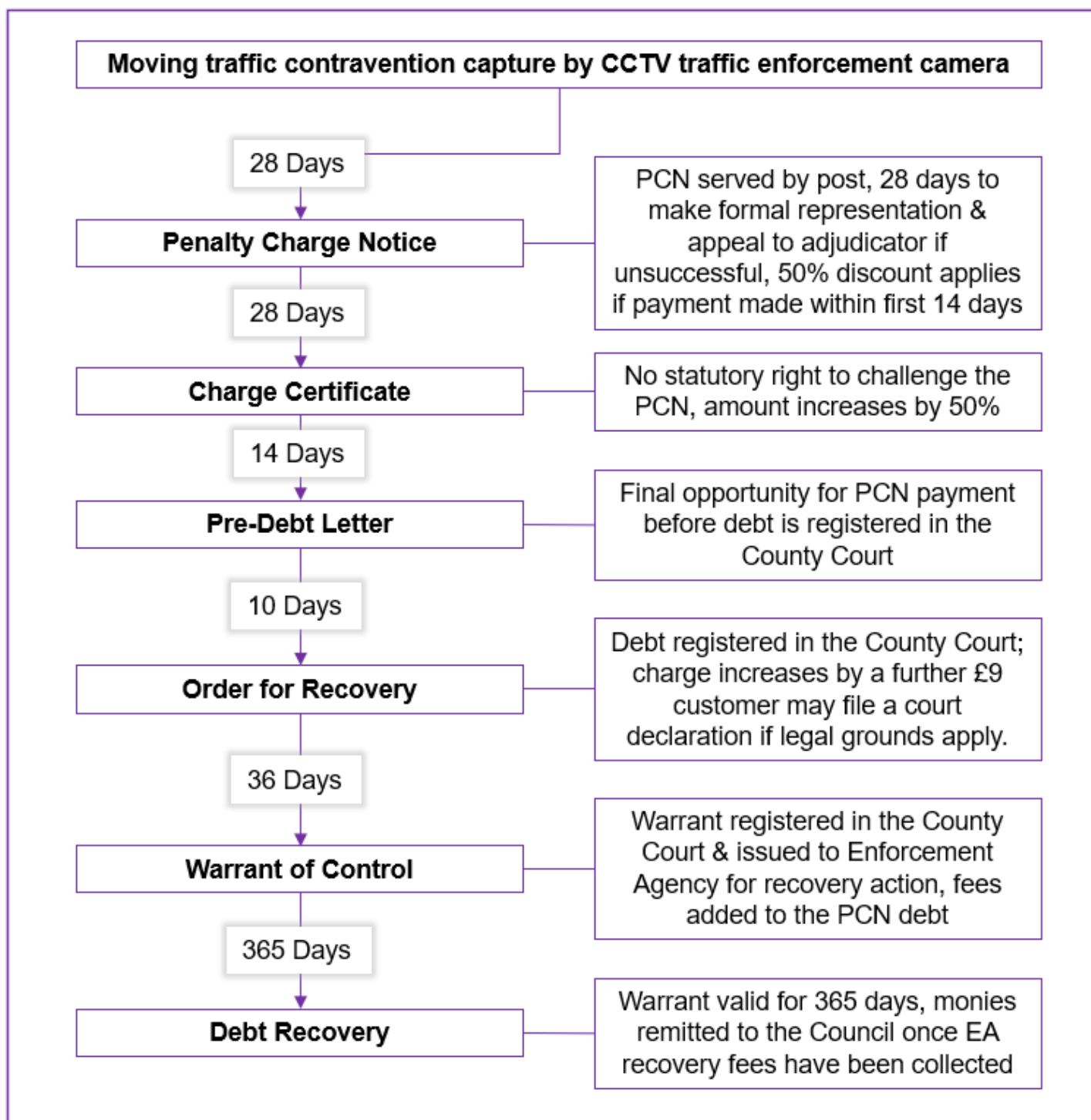
PCNs served by post under the Traffic Management Act 2004



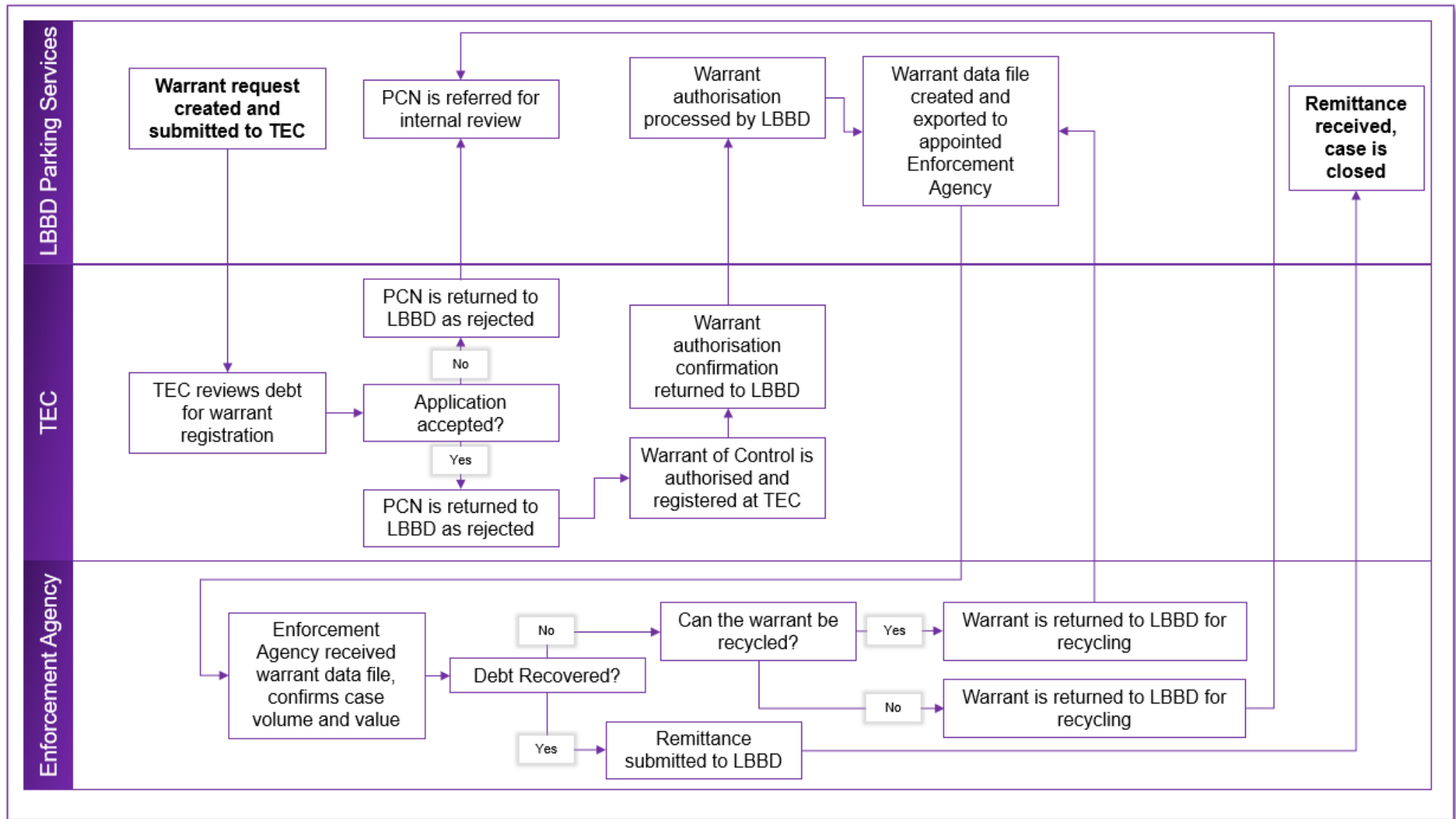
PCNs served by post under the Road Traffic Regulation Act 1984 and the London Local Authorities Act 1996



PCNs served by post under the London Local Authorities and Transport for London Act 2003



Requesting a warrant of Control and Allocating it to an Enforcement Agency



Tracing

The Council will make all necessary attempts to trace any debtor that has absconded to ensure that payment is received. This will include checking internal and external sources of information and sharing information with other authorities and using tracing agents as appropriate.

Enforcement Agents and Enforcement Agents Management

The ability to refer debt to Enforcement Agents is an important tool in the recovery process. The Council appreciates the sensitivity attached to the use of Enforcement Agents.

The Council will seek to use Enforcement Agent only where it has determined that this is the most effective collection method for the debt in question.

Enforcement Agents will be selected with regard to their performance and customer service standards and capabilities. The council will balance the requirement for effective debt collection with the reasonable and lawful behaviour of its Enforcement Agents functions and contractors.

Enforcement Agents performance and contract management will be in place to ensure that compliance with codes of conduct good practice. The Council manage performance across a range of areas including charges, hours of operation, levels and accuracy of distraint, entry and re-entry.

Enforcement Agents payments and incentives will be reviewed as part of the procurement process to align performance to council objectives, maximise income and minimise cost to the council and the customer.

Enforcement Agents services will comply with the National Standards for enforcement agents - [Bailiffs and enforcement agents: national standards - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Treatment of costs

The Council will seek to levy and recover all costs and fees that are legitimately due from the debtor to the Council or its agents. Only in cases where it would not be in the public interest to pursue costs/fees will they be waived.

A distinction will be drawn between costs which are withdrawn because they were charged incorrectly and costs which are written off because they are considered to be irrecoverable under the guidance of this policy.

Where costs are considered as irrecoverable, they shall be treated in the same manner as other debts for the purpose of this policy.

6. Debt Write-Off Policy

Purpose of the Write-off Policy

Barking & Dagenham Council aims to collect all income due but, in some circumstances, this will not be achievable because it is uneconomic or is not in the interests of the council or the debtor to take action to recover the debt.

This policy details the circumstances where debts may be written off and the procedures that must be followed to comply with the Financial Procedure Rules and to accurately record the write-off. The rules for writing off irrecoverable debts are those contained within the Council's Financial Rules.

In considering the approval to write off a debt the authorising staff shall give consideration to:

- This Policy
- The interest of the local community
- The Council's fiduciary duty
- The rights of the customer and the effect of continued enforcement action

Financial Regulations

The authority for writing off debt is replicated in the Council's Financial Procedure Rules. De Minimis value debts will be written off after following the reminder process.

Debts above the de minimis will be referred for write-off in the following situations:

a) Bankruptcy and/or Liquidation

Upon receipt of the notification, a claim should be lodged with the receiver for the amounts due at the date of bankruptcy and/or liquidation. All or part of the debt may be reinstated if the Receiver subsequently recovers any monies. (Separate guidance notes are available for calculating the debt due at the date of bankruptcy and/or liquidation.)

b) Individual Voluntary Arrangements, Administration Orders and Debt Relief Orders

Where debts have been included in a County Court decision, the full debt will be passed for write-off. The debt (or part) will be reinstated if any monies are recovered or if the Orders are later revoked.

c) Absconders

In cases where debtors move leaving debts, comprehensive checks will be made including the use of third-party organisations and local sources. Where these checks fail to locate the debtor's current whereabouts the debt will be written off. If the debtor reappears then the write off will be reversed and recovery reinstated.

d) Costs

In all cases where a summons is issued, court costs, are added to the amount owed. If the costs exceed the amount of the debt staff have the discretion to reduce the amount of costs to the court's element of the charge only providing the summons debt is paid in full before the court hearing date.

e) Vulnerable Debtors

In exceptional cases, debts can be incurred by vulnerable debtors such as those with

terminally illnesses. Consideration should be given to writing off these debts if there is evidence of exceptional vulnerability, there is no realistic prospect of recovery or recovery of the debt would cause additional deprivation or hardship.

f) Extreme Hardship

Where a debtor is paying the maximum, they can afford based on an assessment of their income and expenditure, and a large amount of arrears remains outstanding, some of the arrears may be considered for write-off on the grounds of hardship. (Note: Consideration of use of the Local Assistance Hardship Fund at Appendix C and any entitlement to benefit must have been investigated before being written off).

The debtor will be requested to complete an income and expenditure enquiry form annually and if their circumstances remain largely the same a full report will be prepared with a view to writing off all or part of the debt.

g) Old Debts

Debts over three years old, where no payments have been received for 12 months, will be reviewed, and may be written off providing a liability order has been granted and all recovery options have been exhausted.

Credit balances with no forwarding address, generally arise where an account has been closed and a credit balance remains. If the forwarding address is not known and the credit cannot be refunded via BACS direct into the taxpayer's bank account, the credit balance will be written back.

h) County Court Judgement Debts

Where a County Court judgment has been made but there is no remedy to enforce the judgment, debts will be passed to Enforcement Agents. Where they are subsequently returned uncollected, they will be written off.

Debts may also be written off where the debtor's circumstances are such that court action would not be appropriate due to:

- Being in receipt of long-term state benefit and for housing benefit overpayments no state or local benefit is being received.
- Vulnerability – such as the elderly, frail, disabled, and terminally ill and where evidence exists of the debtor's reduced mental capacity or inability to deal with their own financial affairs, and there is no-one either able or appointed to act on their behalf.
- Hardship – the debtor's financial circumstances which will have been ascertained through the completion of an income and expenditure form.

i) LA Error

There are instances whereby the Local Authority does not pursue the debt as it was created by official error and the individual, to whom the debt relates, did not contribute or could have been aware that they were overpaid or liable to pay the debt.

This must be considered when reviewing any debts created by overpaid Housing Benefit. These debts are considered non recoverable in accordance with Regulation 100 of the Housing Benefit General Regulations 2006.

Authorisation Process

A Write off or non-recoverable form must be completed on all cases to confirm debt type, period of overpayment, or write off, amount and reason.

Any member of staff, Member or Contractor who has an interest in any debt must not participate in the decision-making process regarding the write off, of the debt and must declare their interest.

For the purposes of this policy an interest includes those in the following list, however, the list is not intended to be exhaustive. Where a member of staff is unsure whether they have an interest, they should seek advice from their line manager or internal audit.

- The debt is owed by a relative, including relatives by marriage.
- The debt is owed by a relative of a current or former partner.
- The debt is owed by a friend or neighbor.
- The debt is owed by an organisation of which you are a member.
- The debt is owed by an organisation of which a relative is a member.
- The debt is owed by a company or individual with whom you have a business relationship.

All write-offs must be approved by a duly authorised officer as shown in the Council's Financial Procedure Rules.

For write-offs exceeding the de minimis value a write-off form must be retained with details of the debt(s) written off and the appropriate authorisation obtained.

For debts under the de minimis value and after following the reminder process a monthly write off schedule from a system report will be produced and retained for audit purposes.

The staff authorised to write off debts along with their authorisation limits are listed below:

Amount	Job Title
Up to £5,000	Team Leaders/Relationship Managers/Service Managers
Between £5,001 & £10,000	Head of Service
Between £10,001 & £20,000	Director/Strategic Director
Above £20,001	Deputy or Section 151 Officer

Performance Monitoring

The Council will monitor the implementation of the process to ensure that it is effective. Monitoring will include:

- Quarterly Reports to Cabinet on Debt Management performance and write off levels
- quality checks on work processes to ensure fairness and consistency.
- audit and quality checks on work processed by individuals.
- rate of collection – to identify our performance against the targets set for the collection of debts.
- number of cases at each stage of the recovery process
- complaints received – to assist us with making service improvements.

- setting targets to improve performance.
- regular monitoring of Service Level Agreements

7. Unclaimed credits policy

Purpose of the unclaimed credits policy

In certain circumstances customers pay more than has been charged creating a credit on their account. It is always the aim of Barking and Dagenham that any credit is refunded as soon as is practicable. Refunds can only be made via BACS.

Credits can occur for several reasons:

Council Tax – credits can occur where a retrospective change has occurred

- band is reduction.
- liability periods are changed.
- a discount is applied or adjusted.
- an exemption is applied or adjusted.
- Council Tax support is applied or adjusted.
- enforcement costs are withdrawn.
- The customer has paid more than charged in error.

Where the customer has not requested a refund and has a recurring charge

Business rates – credits can occur where a retrospective change has occurred

- ratable value reduction
- liability periods are changed.
- relief is applied or adjusted.
- an exemption is applied or adjusted.
- enforcement costs are withdrawn.
- The customer has paid more than charged in error.

Sundry debt/HB Overpayments – credits can occur where a retrospective change has occurred

- Invoice amount is adjusted.
- Invoice is cancelled.
- The customer has paid more than charged in error.

Where the customer has not requested a refund and has a recurring charge any credit will be transferred to the new charge.

Circumstances where credits will be written off

In some circumstances it is not possible to refund or transfer the credit, this includes the following:

- a) The customer has left the borough and cannot be traced. Every effort will be made to trace customers that have overpaid but where it is not possible the credit will be written off.
- b) The customer has died and next of kin cannot be traced.
- c) The customer has not provided BACS details, no longer lives in the borough, and will not respond to correspondence.
- d) A period of six years has elapsed.

Write off reversals.

Where a customer subsequently makes contact or is traced, any credits that have been written off will be reversed and the customer will be refunded in full.

The authorisation process below will be used for the writing off credits.