



WORTHING BOROUGH
COUNCIL

Worthing Joint Strategic Sub-Committee
8 November 2022

Key Decision [~~Yes~~/No]

Ward(s) Affected: All
Cabinet Portfolio: Resources

Corporate Debt Policy and Supporting the Most Vulnerable

Report by the Director for Digital, Sustainability & Resources

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Executive Summary

1. Purpose

- 1.1. To present the results of the first stage of work by the ethical debt working group, a group established as part of the Councils' response to the Cost of Living crisis, outlined in the report to the sub-committee in September 2022.
- 1.2. To propose a Corporate Debt Policy for the Council, providing the framework to build further on our ethical approach to debt recovery - identifying the vulnerable early on, and helping those in financial hardship, particularly in these times.
- 1.3. To drive alignment of debt recovery methods to *Proactive* ways of working, a model which has been piloted and is expected to be increasingly mainstreamed, through embedding multidisciplinary teamwork and joined up, more personalised support.

2. Recommendations

- 2.1. That the sub-committee approves the Corporate Debt Policy and supports the proposed ethical approach to debt recovery.
- 2.2. That the sub-committee requests an update report in six months, outlining the changes that have been made to practices, processes and systems in support of a more proactive and holistic way of working.

3. Context

- 3.1. Work to make our services more proactive, and identify vulnerable residents earlier started in February 2021, working with project partners Policy in Practice to help us more effectively use data to identify financial vulnerability.
- 3.2. Subsequent committee reports in July 2021 and January 2022, member briefings in March 2022, and a further report in July 2022 have outlined the benefits of early identification and support through the *proactive pilot*.
- 3.3. As set out in the Cost of Living report presented to the sub-committee in September 2022, the proactive pilot has identified and sought contact with 900 residents using outbound calls, reaching 350 and successfully supporting the 250 who wanted our help.
- 3.4. The Cost of Living report presented a project road map, outlining a range of measures the Council is seeking to implement, with one strand being the development of an ethical debt approach and targeted financial support.
- 3.5. This report presents the product of the first stage of work by the ethical debt working group under the Cost of Living strategy, a Corporate Debt Policy which provides the framework for the identification of financial vulnerability, sensitive and fair debt recovery arrangements, and effective signposting to further support.
- 3.6. The next stage of the Proactive Project will be supported through the Shared Prosperity Fund, and drive the implementation of the road map, including implementation of ethical debt practices across the

organisation.

- 3.7. However, progress beyond policy development has already been made including the imminent re-launch of text message reminders for those late with their council tax payment, automation of applications for Council Tax Support for Universal Credit applicants, and trials of the TellJo digital assessment and signposting tool close to launch.
- 3.8. Using an online questionnaire, the TellJo tool prompts residents to request to make a payment arrangement with the Council, offers a route to register for social tariffs and the Priority Services Register with the energy supplier, and to request a call from a debt advisor. The tool also provides signposting to third sector organisations providing support for mental health, drugs and alcohol and domestic abuse.
- 3.9. The next stage of the Proactive Project will drive multi-disciplinary team working and alignment of culture and practice more deeply and extensively, as there remains a need to adapt language, process and practice in several key areas. Significant changes have already been made to standard letters and the stages of recovery in housing and revenues and benefits, but further work to standardise practices across all teams is required.
- 3.10. The Corporate Debt Policy presented in this report provides a clear and strong policy context for that work to be undertaken.

4. Issues for consideration

- 4.1. A recent internal audit of corporate debt management identified the need for an overarching debt management strategy, and the pre-existing work on ethical debt management has been expanded to meet the need for such a top level corporate policy.
- 4.2. The policy has been drafted with input from Policy in Practice who work with many local authorities on ethical debt.
- 4.3. Our Head of Legal services has also benchmarked across many local authorities and the proposed policy benefits from best practice across the country.
- 4.4. The policy outlines the requirement for a corporate debt management group to drive the development of coordinated multi-debt management

systems and practices. This will be established following the implementation of the Chief Executive's organisational design programme and from within the Cost of Living programme to ensure alignment.

5. Engagement and Communication

- 5.1. As discussed above, extensive benchmarking has been undertaken with other local authorities.
- 5.2. Cabinet members have been engaged in the development of the policy.
- 5.3. The ethical debt working group has operated under the auspices of the Cost of Living programme and its engagement and communications approach.

6. Financial Implications

- 6.1. There are no direct financial implications arising from the approval of the policy.
- 6.2. If the policy is successful in ensuring that debts due are paid then there may be an impact on the income collected from the additional charges made due to the late or non-payment of debts.

7. Legal Implications

- 7.1. Under Section 111 of The Local Government Act 1972 the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the full discharge of any of its functions.
- 7.2. Section 1 of The Localism Act empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 7.3. Section 3(1) of The Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

- 7.4. Under the Council Tax (Administration and Enforcement) Regulations 1992 the Council has the power to make arrangements or agreements with a council tax payer for payment of outstanding council tax as are necessary and within the scope of the regulations.
- 7.5. The Council has statutory responsibilities for housing including a duty to provide advice and support to prevent homelessness, and a requirement to help residents find suitable and sustainable accommodation if they are already homeless.
- 7.6. Section 13A of The Local Government Finance Act 2012 requires the Council to make a scheme specifying reductions in council tax payable by people in financial need.
- 7.7. The Department for Work and Pensions provides funding to West Sussex County Council under section 31 of The Local Government Act 2003 to administer the Household Support Fund Scheme and provide assistance to households most in need. West Sussex County Council must in turn work with Worthing Borough Council to ensure the funding meets its objectives by identifying and supporting those most in need potentially as delivery partners.

Background Papers

Corporate Debt Recovery Policy ([link](#))

[Response to the Cost of Living Emergency in Worthing](#) (delete for Adur)

Sustainability & Risk Assessment

1. Economic

The implementation of the Corporate Debt Recovery Policy supports the early identification and appropriate support of our most vulnerable residents, aiming to contribute to their stability and security, in relation to a range of negative social outcomes, including mental health and homelessness, and supporting the chances of a return into the labour market or the maintenance of employment.

2. Social

2.1 Social Value

Significant social value in relation to supporting our most vulnerable residents, and helping them access support from a range of community organisations as well as our own support services such as Going Local social prescribing.

2.2 Equality Issues

The corporate debt recovery policy explicitly identifies equalities issues as a vulnerability factor, and therefore drives practice and culture towards appropriate identification and action in relation to equalities issues.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Early identification and support around financial hardship supports the delivery of fundamental rights relating to housing, food, and financial security.

3. Environmental

Matter considered and no issues identified

4. Governance

It is imperative that the Council has an effective corporate debt recovery policy in place.



ADUR & WORTHING COUNCILS

CORPORATE DEBT RECOVERY POLICY

This policy sets out our approach to collecting and recovering debt owed to us by businesses and residents.

1.0 Introduction

Adur District Council and Worthing Borough Council ('the Councils') are required to collect monies from both residents and businesses for a variety of reasons.

Money we collect enables us to provide important public services. Income that is not collected or takes additional effort to collect means fewer resources are available to provide our services. We will try to recover all debts owed to us. This is a fair approach to people who use services and to the majority who pay Council tax and business rates on time. We will work proactively to identify those people suffering financial hardship, arrange fair repayment plans and signpost people to appropriate advice and support teams in the voluntary and community sector. We will follow the appropriate protocols and procedures to recover monies owed to us, including enforcement where this is appropriate and necessary.

In undertaking income and debt recovery it is inevitable that we will be required to pursue the recovery of arrears from residents and businesses that may experience difficulty in paying. It is therefore important that we set out how the Councils manage and collect debts to ensure consistency and best practice in such situations.

This policy identifies where responsibility for collection of different debts lie and sets out the principles and standards in relation to customer contact, recovery processes, repayments and benefit, money and debt advice. It also explains how the Councils and their partners can offer help, advice and support in the management of debt for our customers.

This policy sets the framework for a consistent and sensitive approach to maximising debt collection.

Our approach in Adur District Council and Worthing Borough Council will be fair, consistent and sensitive to individual situations. We will:

1. Develop triggers and measures to provide an opportunity for **proactive**, early intervention and reduce the likelihood of the arrears increasing
2. Implement best practice for collecting and recovering debt to the Councils

3. Ensure that the debt has been raised correctly and in a timely manner
4. Make sure that residents and businesses are given invoices or bills setting out the charge, the basis of the charge, methods of payment and Council contact details
5. Where appropriate, agree payment arrangements with customers

2.0 Our approach for avoiding debt

The Councils' aims are to prevent excessive debt by promoting financial inclusion and budgeting to reduce the impact of poverty. The common approach by the Councils and its partners is supporting people to budget and pay their priority debts. The proactive, ethical management of outstanding debt for those experiencing exceptional hardship is of particular importance for the Councils, and an appendix to this policy "Supporting the vulnerable" provides further detail on the considerations and options that we require teams to adopt.

A number of payment methods, including online payments, are available to make it easy for customers to pay for services.

Services will be invoiced or billed in line with statutory requirements. Where a debt remains unpaid:

1. We will signpost customers to appropriate debt advice and support agencies.
2. We recognise that certain individuals will require more sympathetic and sensitive treatment. For example, in the case of recent bereavement, major illness or where the customer requires special assistance in handling their financial affairs.

3.0 Policy objectives

This policy has been developed to provide support to customers before legal or enforcement action is taken. But it will also use the full range of collection and recovery methods as appropriate if debts are not paid. The policy operates within the framework of relevant legislation, such as data protection, human rights and statutory regulations and other Council policies and internal procedures.

4.0 Policy aims

The aims of this policy are to:

1. Maximise income for Adur District Council and Worthing Borough Council
2. Ensure that all Council tax and business rates payers' interests are protected by effective debt collection
3. Ensure our services work to identify those who "can't pay" due to experiencing financial hardship or other difficulties such as mental health issues or other life crises, *in distinction* to those who "won't pay".
4. For those experiencing financial hardship, be 'preventative', for example offering payment options and to signpost customers with debt issues to debt advice providers
5. Protect and support vulnerable customers, ensuring we refer people to appropriate

services internally and externally, such as housing support.

6. Maximise the use of discretionary funds where appropriate to assist with pressures of welfare reform, homelessness or poverty.
7. Be fair but firm, and ensure consistency in dealing with customers, making sure those who “won’t pay” are strongly pursued, including through enforcement approaches.

5.0 Our commitment

When dealing with customers who owe money to us we will:

1. Treat all customers fairly and objectively
2. Ensure that there is no discrimination against customers because of their race, nationality, colour, ethnic origin, religious belief, gender, marital status, sexual orientations, age or disability
3. Encourage customers to make early contact with us about any debt-related matters
4. Use Plain English in all correspondence
5. Assist with communication needs where appropriate, including translation and interpreting services
6. Coordinate all our correspondence to avoid duplication and reduce costs; ensuring that correspondence with customers refers to and deals with all or similar accounts outstanding, so as to consolidate the debts and clarify the total amount owed, and offering options for payments (not including Sundry Debts)
7. Promote advice and support services available
8. Set out our charges clearly

6.0 Advice and support

The Councils will advise individuals and/or businesses as to the range of discounts, reliefs and reductions available at both the time an account is issued and in subsequent communications. This information is also available on both Councils websites.

Staff in direct contact with customers will signpost them as to where they can obtain advice on benefits and debt matters appropriate to their needs.

We will ensure that all written communications are clear and use Plain English as the standard wherever possible. We will explain complex terminology when it is required to be used by law.

All documents will be issued in a timely manner, in accordance with any statutory timescales. The legal options open to the Councils in collecting debts and the customer in paying debts will be explained, taking into account the stage of recovery achieved.

We will assist people with language and communication needs by offering translation, interpreting and other services when required.

7.0 Assessing ability to pay

In pursuing debt recovery, the Councils will act in accordance with statutory regulations and guidance. It is imperative that the Councils' approach to debt recovery is responsible and responds to the financial and social vulnerability of residents and business owners.

The Councils will take into account individual circumstances and the financial and economic climate that we are operating in.

We take a common approach in assessing a customer's whole financial position (by taking into account all of their expenditure and income) to assess their ability to pay. Where instalment arrangements can be entered into, the repayment rate will be based on a proportion of the customer's disposable income and realistic arrangements will be entered into for the repayment of debts in preference to legal action.

Customers who have single or multiple debts owed to the Councils will be offered the opportunity of independent debt advice.

8.0 Our recovery

We will look to charge for services by invoice or bills in line with statutory requirements which may be through instalment plans or arrangements. This will include making longer term repayment arrangements where recovery "in-year" is not realistic and could be counter-productive.

At each stage of the recovery process, customers are signposted to debt advice providers in the voluntary sector.

Where the debt remains unpaid or if instalment plans or arrangements are broken we will follow the appropriate statutory recovery process dependent upon the type of debt.

If the debt has not been recovered through internal recovery methods then, depending on the type of debt, we may instruct bailiffs or debt recovery companies to recover the debt on our behalf. County Court bailiffs may also be instructed, when appropriate, by HM Courts and Tribunal Service.

Consideration will be given to the vulnerability of a customer before we instruct a bailiff or debt recovery company and if we become aware of a vulnerable person once the debt has been passed to a bailiff or debt recovery company we will withdraw the instruction and bring the debt back to the Councils.

Once a debt has been passed to a bailiff or a debt recovery company, the customer may incur further costs.

9.0 Complaints

We have a Complaints Procedure and any customer that feels dissatisfied with how they have been treated may register their complaint in accordance with that procedure. Copies of this document (and other documents referred to in this Policy) are available at <https://www.adur-worthing.gov.uk/complaints/>.

All our publications are available in alternative formats, such as hard copy, large print or a

language other than English.

The corporate complaints procedure provides the Councils with the opportunity to investigate and, where appropriate, provide a remedy in circumstances where the Councils are alleged to have been guilty of maladministration which has caused injustice (and where there is no other reasonable avenue available to the complainant to appeal or seek redress).

It is important to note, however, that the corporate complaints system cannot entertain objections against the merits of a decision which has been properly taken and with which the complainant does not agree.

In the event that the complainant remains dissatisfied after the Councils have investigated the complaint, the complainant may refer their complaint to the Local Government Ombudsman, who is independent of the Councils, but will not consider a complaint where more than 12 months has elapsed since the alleged act/omission.

NB: Some complaints in respect of certain debt matters are also supported by specialist or independent bodies e.g. The Appeals Service, The Housing Ombudsman and Local Government Ombudsman. Details of these bodies together with any external referrals will be provided to customers by the team dealing with the complaint.

10.0 Rights of Appeal

There are a number of ways in which people can appeal about decisions the Councils may have taken:

Valuation Tribunal: For people who believe the Councils have acted incorrectly on a Council Tax billing matter.

Magistrates Court: For people who are aggrieved by the recovery process for Council Tax, Fixed Penalties and Non-Domestic Rates and for Business Improvement District Levy payers or payers who believe the Councils acted incorrectly on a billing matter.

Appeal Tribunal: For decisions made on Housing Benefit claims.

Three Stage Appeals Process for Penalty Charge Notices (Parking tickets): For people who wish to challenge a penalty charge notice that they have received, they can appeal to the council within 28 days of the penalty being issued if you think it has been issued unfairly. They should submit their challenge as soon as possible. If they appeal within 14 days their penalty charge could be reduced by 50%.

If their appeal is unsuccessful they will be able to re-appeal to the Council for a reconsideration, once a Notice to Owner form has been issued. If their formal representations are rejected, they will be able to appeal to the independent tribunal known as the Traffic Penalty tribunal who are independent from the council. The adjudicators are independent lawyers who will make a decision on the case.

There are further appeals processes to the Traffic Enforcement Centre if it is disputed that a statutory notice has not been received.

11.0 How we will meet the Policy

The Councils will take steps to:

1. Give early advice to customers on repayment options and where to get assistance with debt problems.
2. Make all advice on how and where to pay clear and simple.
3. Raise awareness of a debt as quickly as possible.
4. Raise the implications for non-payment - review all reminders and letters periodically, change typeface, font, printing and paper colours, if required to heighten the impact.
5. Review each case individually, taking into account the known circumstances of that customer, if possible and endeavouring to find a remedy before taking any proceedings.
6. If an account remains unpaid, then advise the customer what will happen and let the customer know which organisation or agencies can advise them and how they can get in touch with them.

12.0 Protecting the Councils from Late Payment

The Councils are supported by current UK legislation to recover any amounts expended in recovering overdue amounts from debtors who unnecessarily avoid or delay payment.

Examples of these fees are:

1. Late payment charges
2. Court action fees
3. Enforcement Agent fees
4. Interest

and these may be charged to the debtor's account.

The aim of the legislation is to reimburse the Councils' costs in taking debt recovery action. It prevents citizens having to bear the costs of recovering debt from this minority of customers and also acts as a deterrent against deliberate or malicious non-payment.

The relevant legislation relating to recovering these charges shown below along with links to obtain further information;

- [Directive 2011/7/EU on combating late payment in Commercial transactions](#)
- [Late Payment of Commercial Debts \(Interest\) Act 1998](#)
- [Local Government Act 1972](#)
- [Local Government Finance Act 1992](#)
- [Local Government Act 2003](#)

- [Localism Act 2011](#)
- [Traffic Management Act 2004](#)
- [Taking control of Goods Regulations 2013](#)

If further or outside advice is needed please see our [Support Directory](#) for details of organisations who can help.

13.0 How we will take Recovery Action

The following table sets out the various collection pathways for the major debt topics within the Councils' debt portfolios. It should be noted that the Councils operate many of their recovery pathways in cooperation with private and public partners to rationalise services and achieve efficiency.

As such the Councils retain their options to utilise collection and enforcement agents from both the private sector and the courts to carry out associated or appropriate enforcement actions on behalf of the Councils to prevent or mitigate the need to escalate debts along the collection path.

	Council Tax	Sundry Debt	National Non-Domes tic Rates	Housing Benefit overpayment	Parking (PCNs)
Charging method*	Annual bill	Invoice	Annual bill	Invoice	Penalty Charge Notice (PCN)
Default collection pathway	Magistrates Court	Magistrates/ County Court	Magistrates court	County Court	County Court Traffic Enforcement Centre
Appeals	Valuation Tribunal	High Court	Valuation Tribunal	To the Tribunal and Appeals Service	2 Appeals to the Council and one to the Traffic Penalty Tribunal
Option of Final Resort for persistent/ deliberate default	Fine and/or custodial sentence	Bailiff/custodial sentence	Fine and/or custodial sentence	Deductions from wages or benefits	Warrant being passed to a Certificated Enforcement Agent (bailiff). Other means of enforcement if Enforcement Agents are unsuccessful: Attachment of Earnings Charging Order

*Action following the exhaustion of all prescribed/standard recovery efforts, e.g. after written, electronic, oral contacts and reminders have failed to elicit a sustainable payment response from the debtor.

Supporting the Vulnerable

1.0 Introduction

The Councils aim to ensure that vulnerable residents are identified early through our developing proactive service model, and are treated fairly and compassionately, while recognising that effective debt recovery is an important principle to maintain on behalf of all residents.

The Councils' debt recovery staff will provide residents with details of how they can access independent advice and support in relation to their finances. The Councils' website and correspondences with debtors (letters, email) will also direct residents to independent sources to access support relating to their finances.

We recognise that some individuals may require additional support in order to be able to adequately manage their finances and repay monies owed. The measures that the Councils may seek to take are outlined in paragraph 3.2.

2.0 Vulnerability

2.1 There is no set definition of vulnerability in relation to poverty, and the degree to which someone is considered vulnerable can vary widely. The causes of financial vulnerability are broad and include any condition or situation which may affect a person's ability to manage their finances for a period of time. Some likely causes or examples of vulnerability could be:

- People undergoing significant changes in their life circumstances – i.e., have recently lost or who are at risk of losing their job or their home, or who are facing other major changes and or transitions such as those have been recently bereaved
- People with disabilities, including those with learning difficulties - where their disability specifically affects their ability to manage their financial affairs
- People suffering from serious illness, including mental health conditions - where their illness specifically affects their ability to deal with their financial affairs
- People who have difficulty communicating in English may be considered vulnerable in some cases. While translation services are available for interaction with the Council, those who may not have the support of family members who can speak or read English may be more broadly financially excluded
- People who have difficulty reading and writing. This may prevent them from being able to read notices or warnings in relation to their debt, and may have caused broader financial exclusion
- People affected by the economic or health impacts of pandemic or natural disaster
- Those experiencing/ fleeing Domestic Abuse

2.2 The above does not constitute a list of reasons for automatic assessment as vulnerable, nor is it intended to be exhaustive. Assessment of vulnerability, and the steps taken to support a vulnerable customer, will be assessed by the Councils on a case by case basis, based on the specific details provided by the customer.

2.3 The identification of vulnerability does not excuse someone from paying a debt which they are legally obliged to pay. It does, however, mean that the Councils will provide additional support in understanding the debt, and aim to minimise undue distress. This may mean referring to specific internal support or community partners.

2.4 Where vulnerability is identified, the Councils should, as a minimum, ~~will~~ put in place additional management control. For example, accounts will be flagged on the relevant systems to alert any staff dealing with the case and automated escalation will be halted to ensure that the case is reviewed by a member of staff before any further action is taken. This will be aided through the implementation of a CRM system (“Citizen Hub”) through which officers can easily identify a vulnerability.

2.5 Depending on the nature of the identified vulnerability, there are a number of additional measures that the Councils may decide it is appropriate to make:

- Allowing longer to pay
- Referral to independent advice and guidance
- Temporarily halting enforcement action
- Providing additional support to overcome the vulnerability (e.g. home visits or assistance completing forms)
- Reviewing eligibility for benefits to ensure that these have been correctly assessed
- Considering referral to alternative support: discretionary funds, section 13A payments, DHP or referral to third party may be appropriate
- Where advocates or representatives have been appointed, ensuring that the appropriate evidence has been provided and accounts are updated.
- The action plan will depend on the nature of the debt

3.0 Support for those with Problem Debts

3.1 Whether or not an individual is vulnerable and needs additional support to manage their finances is often independent of whether the customer actually has the means to pay. In accordance with the principles set out, and in the first instance, the Councils will aim to assess a resident’s ability to pay their debt, and to tailor its approach where it is identified that someone is struggling to pay their debts, working with them, their representative or appointee to find a solution to resolve the issue. A list of priority and non-priority debts have been provided in Appendix B.

3.2 In addition to provision of, and referral to, appropriate sources of advice and guidance through the Councils’ existing advice contracts and network, the Councils will seek to support residents to overcome problematic debt and promote access to affordable credit by operating a policy of not pursuing and writing off all or a portion of the outstanding balance where it is identified that a customer does not have the means to pay the full amount.

3.3 It is not practical to implement a prescriptive set of criteria for such cases. Decisions are delegated to officers, but as a minimum, it will only be considered where an individual has engaged with financial assessments, and has kept to the affordable payment plan that has been agreed for a period of time. In order to achieve consistency among decision makers and officers dealing with accounts, we will ask residents to complete the benefit and budgeting calculator tool.

4.0 Multiple Debts

4.1 We know that individuals struggling with problematic debt are likely to owe multiple debts to the Councils and to other external companies.

4.2 Historically, it has been difficult to take a holistic view of an individual’s balances due to each account requiring different recovery and enforcement methods and so being held and managed on different computer systems. This has meant it has not been possible for a single officer to easily make a customer aware of the various account balances they may have. The Councils are committed to providing a “dashboard view” using the LIFT platform to officers around council tax arrears, rent arrears and housing benefit overpayments for those residents on

benefits and a view to widen this approach across the whole Council. Officers can then make residents aware and sign post them to sources of debt advice, grants and employment skills training.

4.3 A corporate debt management group will develop the systems and processes required to expand that joined-up view across other debt streams, improving the way individual and commercial debt is managed and the customer communicated with.

5.0 Staying in contact and targeting

5.1 The Councils will ensure officers of the Councils will remain in contact and ensure residents are provided contact details of the relevant departments of the Councils if they need further support. Officers will ensure that their contact details are provided on all communications sent and ensure phones are logged in during working hours to be available to support. Officers will also ensure a prompt reply to any communications, as per set out by the standards of Adur & Worthing Council.

5.2 Adur & Worthing will continue to move towards adopting an early intervention approach and a commitment from all departments internally to move towards a prevention approach.

5.3 The Councils will use external resources and agencies to assist in locating residents who may have absconded and to help identify residents' propensity to pay. This will enable the Councils to better target recovery action.

6.0 Breathing Space

6.1 The Breathing Space scheme, originally outlined by the Government in February 2020 following campaigning from the debt advice and wider sector, went live on 4 May 2021. The 60-day breathing space period will see enforcement action from creditors halted and interest frozen for people with problem debt. The Councils have amended its processes to reflect this requirement and will actively refer cases to this where it is deemed the most appropriate plan of action.

7.0 Hardship Fund and write-offs for Council Tax

7.1 Worthing operates a hardship fund to support households on Council Tax Support intended to offset the £5 weekly restriction which is currently in place within Worthing, but due to end in March 2023.. The hardship fund will be considered before any consideration is given to writing off any current debt.

7.2 As part of sound financial management, the Councils will periodically write-off debts that it considers are not possible, or cost effective to recover. The Councils do not normally write-off debts at the request of the resident, however in appropriate circumstances it may consider setting aside a portion or all of the debt in line with the principles laid out above. The Councils have a procedure in place for write-offs.

8.0 Approach to Enforcement

8.1 As part of the Councils' approach to enforcing debts, the Councils, once they have gained required authority from the appropriate court in appropriate cases, will use the enforcement route deemed most likely to prove successful. Depending on the debt this may include, attachment of benefit, attachment of earnings, charging orders, bankruptcy, committal hearings, obtaining possession and referral to enforcement agencies including the High Court.

8.2 Where enforcement agents are used the Councils will use a number of enforcement agents depending on the debt. The enforcement agents may be both commercial companies and local authority service providers. All enforcement agents used will be committed to working with

empathy, ethically, identifying vulnerability and in accordance with the regulations. This code of practice will at least be equivalent to that of the CIVEA (www.civea.co.uk/our-code-of-practice).

8.3 Regular meetings will be held between the Councils and its enforcement agents to ensure that high standards are being met, and that welfare arrangements and appropriate behaviours are being adhered to.

Appendix B - Citizen's Advice Priority debts listing

[https://www.citizensadvice.org.uk/debt-and-money/help-with-debt/dealing-with-the Councils's -debts/work-out-which-debts-to-deal-with-first/](https://www.citizensadvice.org.uk/debt-and-money/help-with-debt/dealing-with-the-Councils-debts/work-out-which-debts-to-deal-with-first/)

Priority debts include:

- mortgage or rent arrears. If you don't pay these, you could lose your home
- council tax arrears. If you don't pay these, the Councils can use bailiffs to take your goods. If, after this, you still have arrears unpaid, you can be committed to prison
- gas and electricity arrears. If you don't pay these, you can have your supply disconnected
- Phone or internet bills. If you don't pay, suppliers can cut off your phone or internet
- court fines such as magistrates' fines for traffic offences. If you don't pay these, the Councils can use bailiffs or High Court enforcement agents to take possession of your goods.
- arrears of maintenance payable to an ex-partner or children. This includes Child Support you owe to the Child Support Agency. If you don't pay these, the Councils can use bailiffs to take your goods. If, after this, you still have arrears unpaid, you can be sent to prison
- income tax or VAT arrears. You can be sent to prison for non-payment of income tax or VAT
- TV licence or TV licence arrears. It's a criminal offence to use a television without a licence. You could be fined.

You may have other debts which you think it is particularly important to pay. For example, if you're disabled and rely on your car to get around, you may need to make paying for your car a priority debt.

You need to think very carefully about which debts you treat as the most important ones. You must have very good reasons, as you might have to convince a court or other creditors why it is reasonable for you to treat these debts as more important than others.

Your non-priority debts might include:

- credit card or store card debts
- catalogue debts
- unsecured loans including payday loans
- unpaid water bills - your supplier can't cut off your water supply
- overpayments of benefits - apart from tax credits
- unpaid parking tickets - these are called Penalty Charge Notices or Parking Charge Notices
- money you owe to family and friends

You can't be sent to prison for not paying non-priority debts. But if you don't make any offers to pay, without explaining why, your creditors may take you to court. If you still fail to pay when the court has ordered it, your creditors can take further action. For example, they can get another court order which allows them to send bailiffs round to take your property away. This will be sold to cover your debts. If you don't keep up payments under a hire purchase agreement, the lender may be able to take back the goods. Depending on how much you have paid, the lender may not need to get a court order first.

Corporate Debt Policy November 2022

Next review November 2024