

MAGHULL TOWN COUNCIL

Debtor Policy

Maghull Town Council has a duty to ensure cost effective billing, collection and recovery of all sums due to the Council.

Enforcement is a necessary and important part of Local Council activity. If income is not generated this can be reflected in higher precept charges for residents.

However, it is important that the council is sympathetic to those in genuine hardship, is proportionate in enforcement and does not overuse bailiffs.

The Council needs to ensure that it engages with bill payers so that every attempt is made to reach a resolution before more formal steps are taken.

It is essential that the council undertakes the administration and recovery of all debt in an efficient and effective manner. We have a legal duty to ensure cost effective billing, collection and recovery of all sums due to the authority.

As such, we will: -

- Ensure a professional, consistent and timely approach to recovery action.
- Take enforcement action against deliberate non-payers or late payers.
- Take positive action to prevent arrears occurring, for example by maximising income and providing a range of payment methods.
- Promote a co-ordinated approach towards sharing debtor information and managing multiple debts owed to the council.
- Ensure that debts are managed in accordance with legislative provisions and best practice.

This policy will: -

- Be a guide to all officers involved in the recovery of monies.
- Set out clear strategy
- Demonstrate commitment to the delivery of quality services to our customers
- Provide revenue to the council and help reduce the loss from eventual write off of debt

To achieve our objectives, we will ensure the following principles are adhered to: -

- Consider that customers have a responsibility to pay.
- Aim to identify those who can pay but won't or who deliberately delay payment, so that recovery action can be taken accordingly.
- Actively encourage customers to engage at every stage of the collection and recovery process.
- Acknowledge the need to provide a service that is effective but when necessary sensitive to individual's needs.
- Ensure that payment arrangements reflect the level of debt owed as well as the ability to pay.
- Acknowledge the role of recognised advice agencies and encourage contact with such agencies where appropriate.

We will provide our customers with clear and prompt information about the amounts they are being asked to pay. Our correspondence and information will show: -

- What the bill or invoice is for
- The total amount due
- The date by which payment is due
- How and where to make payments
- Contact details for enquiries
- Correspondence clearly written, without the use of jargon where possible
- Any penalty charges applicable for late payment

Full names, contact address and a telephone number will be established prior to billing.

We will advise Debtors promptly about the existence of their debt and where appropriate they will be advised of their right to appeal in line with legislation.

We will deal with all debtors in a courteous, yet firm and fair manner.

Whilst there are set processes and steps to follow in the collection and recovery of monies owed to the councils, each case is treated individually to take into account various factors such as the circumstances of the debtor.

We will levy and seek to recover any and all costs/fees that are legitimately due from the debtor. Only in exceptional circumstances will consideration be given to costs/fees being waived. Any requests for cancelling or writing off debts will be dealt with by the Finance & General Purposes Committee.

All debtors will be advised of the consequences of non-payment and the courses of action that could result from non-payment. This includes: -

- **Preventing access to the rooms that they hire i.e. Activity Room.**
- **Changing locks on buildings that are leased to prevent entry.**
- Payment Arrangement
- Cessation of service
- County Court Judgement
- Attachment of Earnings Order
- Charging Order
- Removal of good through County Court
- Enforcement Agent
- Debt collection Agency
- Bankruptcy / Insolvency

Some enforcement actions will incur additional costs, which are payable by the debtor. In all appropriate cases, we will seek to recover from the debtor any reasonable costs incurred in the recovery of unpaid money.

Procedure

The following procedure will be undertaken for all income streams resulting from an invoice raised by the Council:-

1. Invoice sent out with payment due within 30 days (invoices are sent in arrears in most cases);
2. After **14** days a letter will be sent via email (see attached)
3. After **14** days another letter will be sent via email (see attached)
4. **After a further 14 days** a final notice letter will be sent via email (see attached).
5. **Access to MTC building suspended/Changing Locks on buildings that are leased to prevent entry.**
6. The debtor will be reported to the Finance and General Purposes Committee.

Dependent on the level of debt it may be more appropriate to lodge the debt in the County Court rather than rely on a Debt Collection Agency. This will be done via Sefton Legal Services. Each case will be judged on its merits.

Time to pay for an invoice will only be considered in **exceptional** circumstances. It is expected that the invoice will be paid in full when presented. The officer involved in pursuing the debt must make a note of all telephone calls made and the date the letters were sent to the customer. Before any debt is pursued through the legal system, the customer and debt involved will be brought to this committee.

Maghull Town Council

18th September 2019.

