**London Borough of Lewisham**

**Collection Process**

**Introduction**

1. The Council has a duty to recover outstanding debts and in doing so we want to ensure that our process is fair to everyone, particularly in the current economic climate. With this in mind, the introduction of a corporate debt collection process will ensure we maximise debt collection, are consistent in our approach to collection and help those who experience financial difficulty.

2. This process relates to the following types of debt:

* Council Tax
* Housing Benefit Overpayments – this occurs when benefit is paid and the claimant is not entitled to some, or all of the Housing Benefit paid
* Sundry Debts – the fees and charges made for a wide and varying range of Council Services such as adult social care. Sundry debts also include loan repayments and salary overpayments
* Business Rates
* Rent (Lewisham Homes)

**The principles of good practice**

3. We know people do not pay their debts for a variety of reasons. Some genuinely have difficulty maintaining their payments. In these cases we will make every effort to help. Others may deliberately set out to delay, or not make payments at all. In these situations we will take action to secure and recover payments. Where appropriate we will charge additional fees to cover the cost of the action and reduce the burden on those people who do pay promptly.

4. We will ensure we follow the principles of good practice set out below:

* accurate and prompt billing
* promote Direct Debit as the default method of payment with a range of other payment options for customers without a bank account
* provide advice on ways to reduce bills and maximise income
* consider special payment arrangements for those customers experiencing financial difficulties
* keep customers informed
* take appropriate recovery action
* make additional arrangements for Adult Social Care debt
* multiple debt management - where the Council is aware of more than one debt owing to the Council (and Lewisham Homes)

**Special payment arrangements**

5. If we do not know a customer is struggling to pay their debt we cannot help so it is very important that customers get in touch with us as soon as possible when they experience difficulties. The sooner the customer contacts us the more we can help.

6. We will always consider a customer’s circumstances and try to help. However, there will be occasions when we can’t help the customer to keep or maintain assets/expenses that they can no longer afford, but we may provide a short term arrangement to give them time to sort themselves out.

7. If a customer does not contact us or does not maintain their special payment arrangement we will continue with recovery action.

 **Keep customers informed**

8. We will always:

* tell customers what will happen if they don’t pay
* warn customers of action we are about to take
* tell customers how to contact us
* ensure that all documents are produced in plain English
* provide documents in large print and in other formats for example audio tape, computer disk, Braille when requested
* assist customers with language and sensory communication difficulty by offering a translation service when requested
* advise customers where to get help and advice about benefit and money matters

9. We will follow the principles of enforcement outlined below:

* our action will be **proportional** – we will only use the most severe sanctions for the most difficult high value cases
* our approach will be **consistent** – with the aim of achieving consistency in the advice we give, the use of our powers and in the recovery methods we use
* our actions will be **transparent** – to help customers to understand what is expected of them and to explain the reasons for taking any recovery action.