

# Appendix A - Draft Corporate Personal Debt Recovery Policy

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### 1. Introduction

This Policy sets out how the Council will work with residents to collect personal debt and what we will do to help those who owe money to the Council. This policy does not apply to commercial debtors.

Swansea Council recognises that early help can prevent debts from escalating, reduce indebtedness and increase the ability of residents to meet their financial responsibilities.

Swansea Council also recognises that a significant part of Council services are funded through taxes and service charges. If income is not collected effectively, then the Council will be unable to properly fund the vital services it provides for the residents of Swansea.

We know that anyone can experience financial difficulties at any time and that money problems don't just affect the person in debt. Families and communities thrive when people can afford healthy lives and avoid the stress of money worries.

We want this policy to reflect this and our residents to know we will help people with money worries to get specialist free and impartial help if they want it.

We recognise that supporting those who are in debt will help whilst reducing outstanding debt to the Council, providing the funding to deliver essential services.

The Swansea Tackling Poverty Strategy states our vision of a Swansea in which:

- Income poverty is not a barrier to doing well at school, having a healthy and vibrant life, developing skills and qualifications and having a fulfilling occupation.
- Residents maximise their income and get the most out of their money.
- Residents avoid paying the 'Poverty Premium', the extra costs people on low incomes must pay for essentials such as fuel and transport.

The Welsh Government's Financial Inclusion Strategy (2016) promotes financial inclusion for all residents in Wales. The overall aim is to provide information and advice and to ensure residents have access to appropriate and affordable financial services.

## **2. Definitions**

This Policy defines debt as 'any amount owed that has not been paid by the due date'.

This Policy covers personal debts owed to the Council, which includes, but is not limited to:

- Housing Rents
- Council Tax
- Social Care fees
- Housing Benefit Overpayments
- Overpaid Council salaries and wages (current and former employees)
- Housing recharges
- Berthing fees and charges for boats
- Other debts owed to the authority

## **3. Policy Statement**

Swansea Council aims to:

1. Make it easy for residents to pay bills and contact us early if they are struggling to pay or worried about money;
2. Offer friendly help, including information about where to get specialist free and impartial money advice;
3. Use enforcement action as a last resort.

Therefore we will:

1. Communicate clearly so that residents know how and where they can pay their bills and who they can contact for information and advice if they are struggling;
2. Offer advice to residents in respect of money owed to the Council if we become aware that a problem exists;
3. Promote the uptake of reliefs, discounts, grants or benefit entitlements;
4. Work with our partners to offer the most appropriate specialist free and impartial money advice;
5. Take personal circumstances of those in debt into account and agree realistic payment arrangements in line with the 'Breathing Space' Debt Respite Scheme. This may require the completion of a Standard Financial Assessment (SFA) assisted by a Debt Advisor;
6. Use enforcement action as a last resort;
7. Continue to improve our debt recovery practices in line with national and local strategies and legislation.

## **4. Monitoring**

This policy will be monitored annually to ensure that our debt recovery practices are in-line with legislation and to consider revisions to commitments made within this policy.