

Reading Borough Council

Corporate Debt Recovery Policy Appendices

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Appendix 1 - Raising of Debt to Legal Entities

All invoices must be raised to a correctly named legal entity. In the event of non-payment, legal action cannot be taken against a non-legal entity. Legal entities are:

1. Individuals
2. Sole Traders
3. Partnerships
4. Limited companies
5. Charities limited by guarantee
6. Clubs run by a committee
7. Trustees
8. Executors or Personal Representatives

All invoices must state the full correct postal address, including postcode.

Rules to follow:

1. Individuals - This is usually someone living at a residential address. When a request is received for a service, the person's full name (title, forename(s) and surname) must be obtained and stated. Initials are not sufficient. If the request is on behalf of more than one person then the full name of each person must be obtained and stated. The full correct postal address, including postcode, must be stated.
2. Sole Traders - Where an individual is trading in his or her own name the full name of the individual as well as the business name must be obtained e.g. Mr John Smith, trading as Fast Removals. Evidence of the name of the business could be in the form of a request for services on a business letterhead. The individual's full postal address must also be requested.
3. Partnerships - 'LLP' must be added where applicable, otherwise the full names of one, two or more partners must be stated, followed by 'trading as' (as above). If LLP is applicable the full correct business address, including postcode, must be stated, otherwise the full correct postal address(es), including postcode of the partner(s) should be stated.
4. Limited Companies - the name must include 'Ltd' or 'Plc'. Invoices can be addressed to either the current registered office or to a place of business of the company. Evidence of their Limited Company Status and registered office must be obtained by requiring confirmation of the service request on their official letterhead. Further confirmation can be obtained from <https://www.gov.uk/government/organisations/companies-house>
5. Charities limited by guarantee - companies which are charitable and also limited by guarantee can be exempted from using the term 'Ltd' so, for example: "Oxfam" is a correct name. Evidence of their charitable status must be obtained by requiring confirmation of the service request on their official letterhead. Further confirmation can be obtained from <http://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/registerhomepage.aspx>
6. Clubs run by a committee - the full name(s) and address(es) of the treasurer and / or the secretary, or the trustees must be stated.
7. Trustees - the full name(s) and address(es) of the trustee(s) and the full name of the trust must be stated.
8. Executors or Personal Representatives - must be addressed e.g. 'Mr Peter Smith, Executor of James Brown Deceased or 'Personal representatives of James Brown Deceased. The full postal address(es) of the executors/personal representatives must be stated.

Appendix 2 - Methods of Payment Policy

Introduction

1. The Council's preferred method of payment is payment up front, if applicable, or at request of service. Failing that Direct Debit is preferred, and we will continue to encourage this approach, and improve systems so it is available for an increasing range of debts whilst implementing our Digital Strategy. However, this does not prohibit continuing to accept payment by other methods.
2. A number of payment methods are available to customers to pay the Council. To operate efficiently the Council needs to provide the same facilities to all residents and businesses.
3. The Council is committed to offer increased access to services and as such must offer different payment methods, but must do so consistently giving heed to the need to minimize the cost of collection.
4. In order to promote the most cost effective and less manually driven processes, we will review arrangements, and may withdraw some options that are less cost effective.

Policy Aims

5. The Policy aims to:
 - Improve customer services through the range of payment methods.
 - Allow customers to make payments outside of office hours.
 - Standardise payment methods.
 - Enable efficiency savings through rationalisation.

Policy

6. The following methods of payment are currently offered/accepted (the list is not exhaustive):
 - Payment in Advance (the preferred method)
 - Direct Debit (the preferred method where it is necessary to invoice)
 - Debit Card
 - Via the Internet or Touchtone telephone using a debit or credit card.
 - Using a bar-coded bill / invoice at any Post Office or Paypoint outlet
 - Credit Card
 - Standing Order
 - BACS/CHAPS
7. For sundry debts, a direct debit should, wherever possible, be set up against an invoice in advance of the service being provided.
8. Barcodes should be used wherever possible on bills and invoices.
9. A de-Minimis level will not apply for payments made by debit or credit card.
10. No extra fee will be charged to those customers paying by debit or credit card.

11. Standard instalment dates for Council Tax, Non-Domestic Rates & Sundry Debt are as follows:

Council Tax Direct Debit:	1st, 8 th 15th or 25th of the month commencing in April of any financial year. Customers can opt to pay in up to 10 or 12 instalments.
Council Tax Non-Direct Debit:	1 st of the month commencing in April of any financial year. Customers can opt to pay in up to 10 or 12 instalments.
Business Rates Direct Debit:	1st & 15th of the month commencing in April of any financial year. Customers can opt to pay in up to 10 or 12 instalments.
Business Rates Non-Direct Debit:	1st of the month commencing in April of any financial year. Customers can opt to pay in up to 10 or 12 instalments.
Sundry Debts Direct Debit	1 st of the month commencing 14 days after invoice produced. 4 weekly in respect of social care on pre-set dates.
Housing Benefit Overpayments Direct Debit	1st, 15th or 25th of the month commencing 14 days after invoice produced.
Housing Direct Debit	Weekly on a Friday, Fortnightly on a Wednesday and monthly on the 2 nd , 11 th & 25 th of the month

Appendix 3 - Write-Off Policy

Introduction

1. The Policy is in respect of council tax, non-domestic rates, housing benefit and council tax benefit/support overpayments and sundry debts.
2. An integral part of debt recovery is the effective management of irrecoverable debts to ensure that resources are applied efficiently to the collection of monies outstanding which can reasonably be expected to be collected.
3. It is good practice to identify and write off irrecoverable debts. This enables the Council to use resources to their maximum benefit.

Policy Aims

4. There are consistent guidelines and procedures to follow.
5. Provide a framework to write off debts once every possible recovery process has been exhausted.
6. Strike a balance between protecting the Council's financial position and making sure anti-poverty issues are addressed.
7. Write offs are carried out in accordance with the Council's Finance and Contract Rules in force at that time.

Policy

8. Debts will normally only be considered for write off where the account is "closed" (i.e. no recurring debt). Only in exceptional circumstances will amounts on "live" (i.e. on-going accruing debt) accounts be considered. Such cases must demonstrate that further recovery action will not achieve collection of the debt.
9. The effectiveness of the Policy will be measured against the Council's Performance Framework.
10. It is not possible to list every scenario which could make a debt suitable for write off. However, Appendix 3a shows the main reasons why debts become irrecoverable
11. The Council will record all write off decisions.
12. Where sundry debts have been referred to the Accounts Receivable Team and it becomes impossible to recover the balance, the Accounts Receivable Team will provide a write off request to the instructing Service explaining the reasons why it is considered appropriate to write off the balance. The Accounts Receivable Team can only recommend writing off. It is the responsibility of the Assistant Director to ensure completion of the write off form and submit the request to the Accounts Receivable Team in accordance with the procedures identified in this guidance note. All relevant correspondence relating to the debt must accompany the write off form.
13. Irrecoverable debts will be referred to the relevant Officer(s) or Committee, designated under the Council's Finance and Contract Rules at a pre-agreed frequency and in a pre-agreed format. At officer level this is the Assistant Director of Finance.

Appendix 3a - Reasons for Write off

Absconded / No Trace	All reasonable attempts to find the debtor have failed.
Deceased	Insufficient or no funds in the Deceased's estate to pay the amount outstanding.
Debt "out of time"/ too old to recover	Debts over 6 years old where a liability order has not been granted (council tax and NNDR), or no contact has been made and no payments have been received (in accordance with the Limitation Act 1980 (as amended)). However, for certain Sundry Debts there may be exemptions to this rule and the Service should consult Legal Services where they believe the debt is no longer enforceable by virtue of the Limitation Act 1980.
Uneconomical to pursue / pursue further	When all recovery processes have been tried or considered or the cost of proceeding would be prohibitive.
Hardship	Each case taken on its merits.
Debt remitted by the Court	Magistrates have remitted the debt.
Bankrupt	The debtor is declared bankrupt and sums due as at the date of bankruptcy cannot be recovered.
Debt Relief Order (DRO)	The debt is included in a Debt Relief Order and cannot be recovered.
Company in Liquidation / Wound up / Dissolved / Struck off	The debtor is a Limited Company. The Company no longer exists as a legal entity and there is no means of recovering the debt.
Company in Administration	The company is being administered on behalf of its creditors and the Administrators have no legal responsibility for the accrued debts of the company.
Company Voluntary Arrangement (CVA)	The Company has entered into a voluntary arrangement with its creditors through an insolvency practitioner.
Individual Voluntary Arrangement (IVA)	The debtor has entered into an arrangement with creditors through an insolvency practitioner.
Non-recoverable housing benefit overpayment	Housing benefit has been overpaid but is not recoverable under the Housing Benefit Regulations 2006, 100(2) or the Housing Benefit (Persons who have reached the qualifying age for state pension credit) Regulations 2006, 81(2).

Appendix 3b - Recognised Forms of Evidence

The following are acceptable forms of evidence to substantiate the write off:

- Letter from solicitor, Next of Kin or Executor confirming no estate/assets or traceable executors
- Evidence of insolvency/bankruptcy/Debt Relief Order, i.e. screen print from insolvency register <https://www.insolvencydirect.bis.gov.uk/eiir/>
- Evidence of tracing activity, i.e. Experian search, statement of searches undertaken and results found
- Proof of address to confirm outside of UK
- Confirmation from HM Prison Service to confirm incarceration and length of detention
- Statement to confirm why uneconomical to pursue or why negotiation of part settlement is in the interest of the Council
- Court Order
- Financial Means Enquiry confirming hardship/financial or other

Appendix 3c - Sundry Debtors Write-Off Request Form

To: Recovery & Control Team, Level 2 Civic Offices

Academy Customer ID:

Invoice Number(s):

Customer Name:

Address:

Amount to be written off (excluding VAT) (£):

Amount of VAT to be written off (£):

VAT Code:

Is this a full write-off of the invoice or partial write off (delete as appropriate): **Full/Partial**

Actions taken to recover the debt (tick as appropriate):

- 1st Reminder
- Final Reminder
- Verbal Demand
- Tracing
- Referral to Debt Collection Agency *
- Legal referral and subsequent action*

** Level of debt which it is considered uneconomic or inappropriate to carry out the specified action - £50.00 Debt Collection Agency & £250.00 Legal referral*

Justification for write off (see table below of valid reasons for write off):

Evidence attached (delete as appropriate): **Yes/No**

(If insufficient evidence/justification, approval will be refused)

Directorate (please circle): DOR DACH DENS DCEEH

Cost Centre Code to be deducted:

Write-off requested by:

Name (PRINT):

Date:

By requesting this write-off I understand and agree that the relevant amount will be debited from the cost centre listed above.

Authorised by Assistant Director/Director (debt up to £1,000)

Name (PRINT):

Signed:

Date:

By authorising this write-off I understand and agree that the relevant amount will be debited from the cost centre listed above.

Authorised by Section 151 Officer (debt between £1,000 and £20,000)

Name (PRINT):

Signed:

Date:

By authorising this write-off I understand and agree that the relevant amount will be debited from the cost centre listed above.

Authorised by Policy Committee (debt in excess of £20,000)

Name (PRINT):

Signed:

Date:

Date of Policy Committee:

By authorising this write-off I understand and agree that the relevant amount will be debited from the cost centre listed above.

Refusal of Write Off Request

Name (PRINT):

Signed:

Date:

Refusal Reason:

Financial Regs (8.1.5) stipulate the following “No bona fide debt may be cancelled, other than by formal write-off. The scheme of delegation gives delegated authority to Directors/ Assistant Director delegated authority to write off debts, for a particular debtor, for sums up to £1,000 at their own discretion; and for sums of up to £20,000 with the consent of the Strategic Finance Director. In both cases they must keep a written record of the debt and the reasons for writing it off. The Strategic Finance Director will report to the Policy Committee on the writing-off of individual debts of over £20,000.”

System Control Use Only: Name of Officer: Date of system write off: Date indexed to l@work (in order to retrieve for audit purposes): Journal confirmation reference:

Appendix 4 - Council Tax & Non-Domestic Rates (NNDR) Recovery Policy

Introduction

1. Council tax is a tax levied on all eligible domestic dwellings. Non-domestic rates are a tax levied on eligible business properties. The amount of council tax levied is dependent on the council tax band that the property falls into and the amount of tax to be raised. The amount of non-domestic rates is dependent on the rateable value of the property and the nationally set rating multiplier.
2. The full rate of tax is liable to be paid unless the property, owner or occupier is eligible for a reduction or exemption. The main reasons for reductions include empty property discounts, Council Tax support for residents on low income, disregards, single occupancy discounts and charitable relief.
3. Council tax and non-domestic rates are payable in line with a statutory instalment scheme or by agreement. There is a legal duty placed on the Council and its Officers to collect outstanding debts in accordance with the Council Tax (Administration and Enforcement) Regulations 1992 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (as amended).

Policy Aims

4. The Recovery policy will ensure that:
 - The Council will bill, collect and recover all debts in an economic, effective and efficient manner in accordance with legislation and best practice.
 - All taxpayers and ratepayers are treated fairly and objectively.
 - Action taken will be fair and open, no-one will receive less favourable treatment because of their race, nationality, colour, ethnic or national origin, religious belief, gender, marital status, sexual orientation, age or disability.

Policy

5. The Council will bill, collect and recover all debts in an economic, effective and efficient manner in accordance with legislation and best practice.
 - Demand notices and adjustment notices will be issued in accordance with regulations.
 - A recovery timetable will be drawn up before the beginning of each financial year.
 - Text Reminders, Reminders and final notices will be issued after an instalment has fallen due.
 - A summons to the Magistrates' Court will be issued if full payment has not been made in accordance with the previously issued notice.
 - If settlement is still not made an application will be made to the Magistrates to grant a Liability Order.
6. Following the grant of a Liability Order the debtor will be given an opportunity to make a suitable payment arrangement. Should the debtor not make or keep to a payment arrangement the following recovery action(s) can be taken. The recovery action(s) will be dependent on the circumstances of each individual case.

i. Attachment of Earnings

Deductions are made from the debtor's wages at a rate determined by legislation.

ii. Deductions from Income Support, Job Seeker's Allowance, Employment Support Allowance, Pension Credit and Universal Credit

Deductions are made from the debtor's benefits at a rate determined by legislation.

iii. Taking Control of Goods - use of Enforcement Agents

Enforcement Agents employed or contracted by the Council will be required to comply with the Enforcement Agent Code of Practice, Service Level Agreement(s) and the Tribunals, Courts and Enforcement Act 2007 and any other prevailing legislation at all times.

iv. Bankruptcy/Liquidation

If sufficient assets exist to meet the outstanding debt the Council can petition for Bankruptcy/Liquidation.

v. Charging Orders

An order placed on the debtor's property to secure the debt. County Courts are empowered to order the sale of the dwelling if the debtor does not pay.

vi. Committal

The Council can make an application to the Magistrates' Court to instigate action that could ultimately result in the debtor being sent to prison for non-payment.

vii. Attachment of Allowances

Deductions are made from Elected Members' Allowances.

The Council reserves the right to pursue the most appropriate of the above recovery methods depending on the specific personal and financial circumstances of the debtor.

Appendix 5 - Housing Benefit and Council Tax Benefit/Support Overpayment Policy

Introduction

1. Overpayments of Housing Benefit and Council Tax Benefit/Support are established through a change in benefit entitlement. They are described as an amount of benefit that has been awarded but to which there is no entitlement under the regulations.
2. Accurate and prompt identification of overpayments is important to ensure that the incorrect payment of benefit is discontinued and to maximise the chances of successful recovery.
3. The Council recognises that to ensure there is minimal loss to public funds firm but fair action must be undertaken in the administration of Housing Benefit and Council Tax Benefit/Support overpayments.
4. Proactive action in the recovery of overpayments has a deterrent effect. However, the Council has a responsibility to act in accordance with all relevant legislation and regulations
5. In all cases due regard will be given to the health and individual circumstances of the claimant to avoid causing unnecessary hardship.

Policy Aims

6. The policy will reflect best practice in the procedure for dealing with the administration and recovery of Housing Benefit and Council Tax Benefit/Support overpayments.
7. The policy will be flexible in its approach to the recovery of overpayments with each case treated on its own merits. The Council recognises that a policy which, for example, requires recovery in all cases or recovery is always made from specific categories of claimants is unlawful
8. The policy has regard to the rights of individuals and the obligations of the Council under the provision of the Human Rights Act 1998.
9. The Council will:
 - take steps to minimise and prevent overpayments from occurring
 - identify the overpayment promptly
 - stop the overpayment from continuing
 - classify the overpayment correctly
 - determine if the overpayment is recoverable and if recoverable
 - determine from whom to recover
 - determine the most appropriate method of recovery
 - notify the claimant and other affected persons of the decision
 - implement effective financial control of the recovery process

The Policy

10. The policy will be applied in all cases where an overpayment of benefit has occurred, that is, any amount of Housing Benefit or Council Tax Benefit/Support which has been paid but to which there was no entitlement whether on initial decision or on a subsequent revised or superseded decision.
11. In most cases overpayments can arise as a consequence of:
 - payments made in advance
 - late disclosure of a change in circumstances
 - errors made by the claimant when completing an application form or review form
 - claimant error
 - official errors made by the Council or the Department for Work and Pensions

- deliberate fraud
12. 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 overpayment occurred.

Prevention of Overpayments

13. Overpayments are often difficult and time consuming to administer. They can cause difficulties for claimants and their families as they try to manage on limited incomes. They are to be avoided where possible. This will be achieved by:
- telling claimants how to avoid overpayments, with letters, in leaflets and during verbal communications
 - encouraging claimants to maintain contact with us
 - processing information quickly and accurately to minimise overpayments
 - offsetting any new or underlying entitlement

Identifying Overpayments

14. The Council will endeavour to act on any information received in relation to a claimant's change in circumstances within seven days of having received sufficient information to identify that an overpayment has or will be occurring.
15. This action will in the first instance include the suspension of further ongoing payments of incorrect benefit.
16. The Council will endeavour to identify any change in circumstances that would result in an overpayment still outstanding after seven days by:
- undertaking a check of the Department for Work and Pensions records held on the Customer Information System (CIS) to identify whether entitlement to Income Support, Jobseeker's Allowance (Income Based) has ceased and if this information is not readily available on CIS by the sending of a benefits enquiry information letter
 - referring potential fraudulent overpayments to the Benefit Fraud team
 - ensuring that any post relating to the change in circumstances is collated and acted upon

Classification of Overpayments

17. The correct classification of overpayments is essential as, depending on the type of overpayment, the authority will receive a percentage of the overpayment back from the government by way of subsidy. A summary of the types of overpayments and percentage of subsidy allowed is shown at the end of this policy.
18. All overpayments must be correctly classified by an Officer of the Council who has had training to a sufficient standard to allow them to make decisions, which ensure the correct application of the law in the decision-making process.
19. All Officers with responsibility for classifying an overpayment must record both the classification and their reasons for it on the benefit file.

Calculation of Overpayments

20. Where an overpayment has occurred, the Council must invite claimants to provide sufficient information for any underlying entitlement to benefit for the overpayment period to be assessed.
21. The full amount of the overpayment should be recovered unless the health or financial circumstances of the person from whom recovery is being sought suggest a lesser amount would be appropriate.

22. In all cases the overpayment should be recovered as quickly as possible and normally no later than six years from the date recovery action is commenced.

Notification Letters

23. All notification letters must be dated and issued to all affected persons within fourteen days of the Council having made the decision.
24. The notification must include the reasons for the decision, the right to request a further statement and the time limit for doing so and the claimants appeal rights and the time limit for doing so.
25. Copies of the notification letter must be able to be reproduced in the event of an appeal, complaint or proceedings taken against the Council.

Decisions on Recoverability

26. In all cases where an overpayment has arisen the Council should consider whether an official error has caused or contributed towards the overpayment.
27. Where the Council has identified an overpayment, which was caused or contributed to by an official error, it should decide whether recovery of the overpayment is appropriate under the guidance issued by the Department for Work and Pensions.

Who Should the Overpayment be Recovered From?

28. Before recovery action begins consideration will be given as to whom is the most appropriate person to recover the overpayment from. This may in certain cases mean that further information is required from the affected parties.
29. Recovery should then be made from the most appropriate persons who may be:
 - 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
30. In all cases where the overpayment was the result of proven fraud the overpayment should, in the first instance, be sought to be recovered from the person who misrepresented or failed to disclose a material fact.

Recovery of Overpayments

31. 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 will 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
32. The Council may consider the method of recovery of an overpayment at any time for the purpose of effectiveness and efficiency in financial control.
33. Only if it becomes clear after all attempts at recovering the overpayment have become exhausted and there is no hope of recovery, or there are extenuating circumstances, shall the debt be recommended for write-off. In all cases, the Council's Finance and Contract Rules shall be adhered to.
34. Recovery should be suspended if a claimant appeals a decision until the appeal has been resolved.

Methods of Recovery

35. Overpayments of recoverable Council Tax Benefit/Support will result in an adjustment being made to the claimant's council tax account for the appropriate year. An amended bill will be issued, and any unpaid monies will be subject to recovery action under the council tax regulations.
36. The most appropriate method of recovery for Housing Benefit Overpayments should be considered in all cases, including:
 - on-going deductions from further payments of Housing Benefit
 - deductions from other Department for Works and Pensions benefits
 - benefit debtor invoices
 - Direct Earnings Attachments
 - debits to the rent account where it is in credit
 - recovery from landlord
 - referral to an external debt collection agency (after all the above avenues of recovery are considered or exhausted)
 - applying to the County Court for a County Court Judgement (after all avenues of recovery are considered or exhausted). With a County Court Judgement (CCJ) further recovery actions can be taken, e.g. instructing enforcement agents or attaching the debtor's earnings.
37. A period of at least one calendar month should have elapsed before recovery action begins. This will allow for the claimant to re-apply for benefit, which may identify an underlying entitlement or for the claimant to register any appeal.
38. In cases where recovery from on-going benefit is sought the standard maximum rate of deduction as laid down by regulation should be applied unless the health or financial circumstances of the claimant suggest a more appropriate rate should be used. In all cases however a minimum amount of fifty pence per week Housing Benefit must remain in payment.
39. In the case of a bankrupt, recovery should be sought from on-going deduction of further payments of Housing Benefit or deductions from other Department for Works and Pensions benefits before court action is considered.
40. Where the claimant is deceased an invoice will be sent to their executors or representatives to seek recovery from their estate.

Monitoring and Reporting Mechanisms

41. Monitoring of overpayments will be carried out in conjunction with the Council's Corporate Performance Management System.

Write-Offs

42. Recovery of overpayments will be carried out as diligently as possible. However, if it becomes clear that there is no hope of recovery, or that there are extenuating circumstances the debt will be recommended for write off in accordance with the Write-Off Policy. In all cases the Council's Finance and Contract Rules will be adhered to.

Housing Benefit/Council Tax Support Overpayment Classification Types

Type of Overpayment	<i>Description</i>	<i>Subsidy Payable</i>
Local Authority Error	Local Authority (LA) error overpayments are those caused by a mistake, by an act or omission, by a LA when the claimant did not contribute to the mistake. These can result from incorrect information being extracted from a benefit claim, error in data input which result in the incorrect assessment of benefit or failure to act/act promptly on a notification of change in circumstances.	Subject to thresholds. The lower threshold is 0.48% of the total expenditure attracting full subsidy; the upper threshold is 0.54%. 100% subsidy will be payable if the level of error does not exceed the lower threshold. If LA error overpayments are greater than the lower threshold but do not exceed the upper threshold, then 40% subsidy is paid on the total LA error overpayments. If LA error overpayments exceed their upper threshold LAs receive nil subsidy on their LA error overpayments.
Claimant Error	An overpayment caused by the claimant or person acting on the claimant's behalf or any person the benefit is paid to, failing to provide information in accordance with Housing and Council Tax Benefit/Support regulations and has not been defined as fraudulent.	40%
Fraud	An overpayment occurring as a result of a payment of HB or CTB arising from a breach of section 111A or 112 of SSAA1992 or a person knowingly failing to report a relevant change of circumstances with intent to obtain or retain HB or CTB either for themselves or someone else.	40%
DWP Errors (Departmental Official Errors)	An overpayment arising from a mistake, whether in the form of an act or omission made by an officer of the DWP, HMRC or a person acting for them.	Nil If recovered 100% if not recovered
Technical HRA	An overpayment when a rent rebate is credited in advance of entitlement for a particular period, where a change of circumstances or a recoverable overpayment causes that entitlement to be removed or reduced.	Nil

Appendix 6 - Sundry Debt Policy

Policy

1. This Policy shall be known as 'The Sundry Debt Policy' and covers the collection of customer accounts due to Reading Borough Council.
2. It is the Council's policy to recover all collectable debt owed to it and with this overall objective in mind this policy aims to:
 - Maximise the collection of the Council's income
 - Reduce the time taken to raise invoices to within 10 days of the provision of service(s)
 - Reduce the time taken to collect charges
 - Reduce the level of debt owed to the Council and its provision for bad debts
 - Reduce the incidence of debt that cannot be collected
 - Focus the attention and improve education of Services to raise awareness of the importance of prompt debt recovery
 - Tackle any non-payment culture amongst customers.
3. This Policy supports these aims by:
 - Promoting ownership of debts by service providers
 - Ensuring that, where possible, payment up front is received
 - Ensuring whenever possible that collection of the fee or charge involved takes place prior to the service being provided so that credit is only given when essential to do so
 - Promoting a system of credit control
 - Ensuring invoicing procedures are carried out on an accurate and timely basis
 - Requiring that evidence to support the invoice exists in the form of an official purchase order or other written agreement
 - Encouraging debtors to pay promptly,
 - Making collection and recovery activity more efficient by prioritising collection of larger debts
 - Creation of a corporate framework to enable efficient and effective income management
4. The Policy aim is to achieve the following rates of collection in terms of both numbers and value of invoices:
 - 80% of invoiced debt to be collected within 35 days of the invoice being issued
 - The Accounts Payable & Accounts Receivable Manager will review each year the targets above.
 - The Council will publicise the fact that it has this policy and that it intends to pursue and enforce the collection and recovery of all debts owed to it.

Key Principles of Fees and Charges

5. The fee or charge imposed by the Council must be fair in relation to the goods and/or services provided and consistent with other Local Authorities.
6. The charge must reflect the principles outlined in the appropriate charging policy and in the Council's Finance and Contract Rules.
7. The charge must, depending on legislation, always cover the cost of providing goods or service and the costs of collection, unless the Council has taken a policy decision to subsidise the service.
8. The charge should wherever possible be obtained in advance of the goods and/or services being provided.
9. The charge must be collectable i.e. sound supporting documentation with timely access.

10. Fees and charges must be reviewed at least annually as part of the budget setting process.
11. There must be a clear and prompt billing and collection process
12. There must be a clear and consistent council-wide approach to the giving of credit and the collection of debt that is led by this policy.
13. The debt will remain the responsibility of the Service in which it was raised, and recovery action will be taken by the Accounts Receivable Team. It is the responsibility of the Services to assist the Accounts Receivable Team in collecting debts.

Responsibilities

14. Directors and Assistant Directors must ensure that:
 - The Corporate Debt Recovery Policy is adhered to
 - The key principles of fees and charges are adhered to
 - The parts of this policy that apply to their Service areas are correctly followed
 - Specific attention is paid to prohibit the poor practise of raising large value invoices at the financial year end
 - They proactively support the achievement of corporate targets for debt collection
 - Budget Managers are fully aware of their responsibilities
 - Relevant systems and procedures are in place
 - Officers involved in the debt collection process are appropriately trained and are aware of their responsibility
15. Internal Audit will provide assurance that this Policy is adhered to and is effective.

Validation

16. The Service responsible for raising an invoice request to the centralised invoice production team must ensure that the evidence of the service provided is fully validated and that the invoice is accurate and contains sufficient detail for both billing and recovery purposes.
17. The Accounts Receivable Team will validate customer name and address details prior to invoices being raised, to reduce errors and avoid duplication. It is the responsibility of the originating Service to ensure that the correct billing details are collected. If incorrect details are entered for validation the request will be referred back to the originator and deleted from the system until correct details are supplied.

Invoicing

18. Services are responsible for the request for raising of invoices in respect of the goods and/or services they supply on credit. The request must include:
 - Customer's full name(s)
 - Customer's full address(es), including postcode(s)
 - Customer's contact telephone number(s)
 - Customer's email address
 - Date of supply
 - Purchase order number (where applicable)
 - Full description of the service/goods provided
 - Amount due
 - VAT amount *
 - Total due
 - Financial code
 - Originating Service
 - Certification

This applies not only to their service but also when they are acting as an agent for another Group. In this latter case they should advise the relevant budget holder of the charge raised.

Note * current rates of VAT are standard, reduced and zero. In addition, some goods and services are exempt from VAT or out of scope. Officers should refer to the service accountant when deciding on the correct VAT treatment.

19. All invoices must be raised to a correctly named legal entity. In the event of non-payment, legal action cannot be taken against a non-legal entity. Legal entities are:

- Individuals
- Sole Traders
- Partnerships
- Limited companies
- Charities limited by guarantee
- Clubs run by a committee
- Trustees
- Executors or Personal Representatives

Further information and rules to follow are detailed in Appendix 1.

20. Unless agreed otherwise by the Accounts Receivable Team, an invoice must be raised within 10 working days of the goods and/or services being supplied. The Accounts Receivable Team will monitor performance against this target.

21. An invoice should not be raised:

- For less than £50.00. For fees and charges less than £50.00 payment must be made prior to the goods or services being provided. However, this excludes legal charges (e.g. ground rent) and arrangements already in place.
- Where the charge is not known in advance
- If a purchase order or written agreement has not been received
- When it cannot be proven that the goods and/or services have been supplied
- When the amount due has previously been paid
- Where an invoice for the same goods or service has already been raised.
- To artificially enhance income targets.

22. All services must keep any supporting information, for a period of six years plus the current year.

Payment Methods

23. Invoices may be paid by any of the methods in Appendix 2 Methods of Payment Policy.

Credit Limits

24. For goods and/or services to be supplied and costing over £5,000 and where a payment up front cannot be obtained, a credit check must be run on all customers except those in the public sector. The Service must contact the Accounts Receivable Team to carry this out.

25. Where possible, systems should be checked prior to the provision of a service.

26. Credit/Service provision must not be given to customers who previously have been consistently late payers or have not paid at all. Only the respective Assistant Director can approve credit facilities where a customer has previous history of non-payment or late payment.

27. Preferential credit limits must not be agreed for any customer.

Payment Terms

28. The Council will collect monies owing to it fully and promptly.
29. Payment terms will only be granted where the customer is not able to settle the debt in full in one payment. On receipt of an invoice a customer can make arrangements to clear the amount outstanding by way of weekly, fortnightly or monthly instalments. Payment should be made by direct debit wherever possible.
30. All requests from customers to enter into arrangements for payment must be referred to the Accounts Receivable Team regardless of the amount. The Accounts Receivable Team will set up and monitor all payment arrangements.
31. The Accounts Receivable Team will withdraw payment terms if a debtor fails to honour the agreement entered into.
32. Where invoices are raised payment becomes due after 30 days (or less where agreed).

Accounting Arrangements

33. Services will receive the credit when an invoice is raised.
34. Any third-party fees or charges associated with recovering a debt will be charged to the Service.
35. Where debts cannot be recovered, the original credit will be debited from the Service budget by way of a write off; all write offs to be signed off in accordance with the Finance and Contract Rules.
36. Refunds of any overpayments will be processed by the Accounts Receivable Team via a refund request form only where there are no other debts outstanding for that customer. Should a customer have an outstanding debt then any overpayment will be off set after the customer has been informed. Credits less than £1.00 will not be refunded.
37. Direct debit administration is carried out by the Accounts Receivable Team. All rejections and cancellations are carried out by the Accounts Receivable Team who will arrange to notify the appropriate individual Services.

Recovery

38. A reminder will be sent for all invoices unpaid usually after 1 day past the due date, i.e. day 31 after the invoice is raised.
39. If an invoice is unpaid after a minimum of 6 days past its due date (i.e. 36 days after the invoice is raised) a telephone reminder is made to the debtor by the Accounts Receivable Debt Team to recover the amount due.
40. If after a further 10 days the invoice is unpaid (i.e. 46 days after the invoice is raised), a pre legal letter (letter before action) will be issued, and a request for the supporting information for legal action will be sent to the Service.
41. After a further 7 days (i.e. 53 days after the invoice is raised) if the invoice is still unpaid, the Accounts Receivable Team may commence legal action with either our in-house legal team or external.

Stage*	When	How
Reminder notice	31 days from date of invoice	Generated by the debtors system
Telephone reminder	36 days from date of invoice	List generated by the debtors system
Letter before action	46 days from date of invoice	Generated by the debtors system
Request for supporting information for legal action	On decision to take Court action	Manually generated Email to Service requesting proof of debt in 7 days
Legal action	53 days from date of invoice On receipt of full documentation from Service	Legal action taken to recover debt

Note* these tasks will be performed by the Accounts Receivable.

42. At any time after the issue of a reminder notice the Accounts Receivable Team may refer the debt to a debt collection agency or, in the case of outstanding commercial rents where the debtor is still in occupation, the Accounts Receivable Team may refer the debt to an enforcement agent to follow the Commercial Rent Arrears Recovery process (CRAR). Once a case has been referred to a debt collection agency or enforcement agent any payment arrangement the debtor enters into must be made directly with that agency unless the Accounts Receivable Team agrees otherwise.
43. The Accounts Receivable Team must attempt to trace any debtors who have absconded or use external agents to do so. Where an external agent is used, charges will apply to the originating Service for this work.
44. Recovery action may be halted at any part of the process if the debtor enters into suitable payment terms with the Accounts Receivable Team to clear the debt by instalments within a reasonable timeframe.
45. Recovery action may be halted at any part of the process if the originating Service decides not to allow recovery for the good of the service. When this happens the originating Service must bear the cost. The Accounts Receivable Team will arrange to raise a credit note/write off to cancel the charge and will also recharge the Service for any fees and costs already incurred.
46. In cases of non-payment for on-going services withdrawal of non-statutory services must be initiated no later than the pre legal letter stage (46 days) to prompt payment.
47. No further requests for goods or services should be actioned until outstanding debts are paid in full. Services must check the debtors system to confirm this.

Queries and Disputes

48. If a charge is disputed the Service must notify the Accounts Receivable Team immediately to prevent the recovery process continuing. All disputes must be resolved by the Service within 90 days of the invoice being raised and the Accounts Receivable Team notified of the outcome.
49. Where disputes are not resolved within this timeframe the Accounts Receivable Team will raise a credit note to remove the debt from the system and notify the Service when this happens. The Service is then responsible for requesting the re-raising of the invoice once the dispute is resolved, if appropriate.

Legal action

50. Where a debt collection agency or enforcement agent fails to collect the amount due or where a decision is made to pursue the debt in the County Court.
51. Single or multiple recoverable debts up to £5,000 will be considered for action through the County Court by the Accounts Receivable Team, but only if the originating service can provide the necessary supporting documentation.
52. All recoverable debts over £5,000 will be considered for County Court action by the Accounts Receivable Team, but only if the originating service can provide the necessary supporting documentation.
53. Failure to provide the necessary supporting documentation will result in the Accounts Receivable Team raising a credit note/write off to cancel the charge, and the loss of income will be met by the originating Service.
54. Where necessary, legal advice and representation will be sought by the Accounts Receivable Team.

Credit Notes

55. There is a clear distinction between raising a credit note and writing off a debt.
56. A credit note to cancel or reduce a debt must only be issued to:
 - Correct a factual inaccuracy
 - Correct an administrative error
 - Cancel an invoice where a dispute has not been resolved in the specified time.
 - Adjust the amount of debt due
57. Where a credit note is submitted to correct a factual error the credit note will not be processed until the correct details are supplied for resubmission. Both actions will be carried out simultaneously to ensure prompt and accurate processing with a clear audit trail.
58. Credit note requests raised by Services must be made on the correct credit memo with a full written explanation of why a credit note is applicable. Credit notes will be reviewed during the Audit process to ensure that they are completed in accordance with this policy.

Write Offs

59. A review will be undertaken to assess the recoverability of debt outstanding at the year-end. The following factors will be considered in the review:
 - The type of debt;
 - How long it has been unpaid; and
 - The history of the debt since it was raised.

Where these factors suggest that the debt may not be recovered, a provision will be raised against the balance and a charge will be made against the service to more accurately reflect the financial position of the Council. In the event that the income is collected at a future date, an adjustment will be made to the service to reflect the recovery.

60. Write-offs will be charged to individual service budgets.
61. Delegations and limits regarding write-offs can be found in the Finance and Contract Rules which form part of the Council's Constitution.

62. A debt write-off must not be used to by-pass the normal debt recovery procedure and therefore there will be internal monitoring of the revised policy to ensure write off is being used correctly.
63. Write-offs can only proceed after consultation with the Accounts Receivable Team.
64. A Write-Off Request Form (Appendix 3c) must be completed for each write-off explaining the reasons for the decision for write-off and confirming that the debt recovery procedures have been followed.
65. The original Write-Off Request form should be sent to the Accounts Receivable Team who will suppress debt recovery in relation to the invoice to which the write-off relates.
66. When a write-off is approved the form will be signed and returned to the Accounts Receivable Team to update the Sundry Debt system.
67. The Accounts Receivable Team or the Section 151 Officer may request further information from the originating Service to determine whether the debt is enforceable.
68. If the Accounts Receivable Team or the Section 151 Officer believes the justification for write-off does not comply with the guidance procedures or an invalid reason is given, the form will be returned to the Service for reconsideration or amendment.
69. A centralised record of all write-offs will be kept by the Accounts Receivable Team to be accessible for monitoring purposes.

Monitoring

70. Information and reports will be used to monitor performance against targets and timescales set. Regular reports will be issued to each Service for them to review their outstanding debts.
71. The Accounts Receivable Team is authorised to report to the Section 151 Officer any major issues arising from the above.

Review

72. The procedures will be reviewed biannually but may be amended at any time to incorporate new procedures, practices or legislative requirements.

Appendix 7 - Housing Policies

Appendix 7a - Current Rent/Dwelling Charge, Service Charges and Rechargeable Repair Recovery Policy

Introduction

Rent, Services charges and rechargeable repairs are due when a tenancy agreement is signed and paying these are one of the most important responsibilities of the tenant as it covers the cost of providing a landlord function.

1. In all cases due regard will be given to the health and individual circumstances of the tenant to avoid causing unnecessary hardship and to prevent homelessness.
2. At all stages of recovery, the tenant will be offered a variety of options to support them to maintain their tenancy and manage their finances.

Policy Aims

3. The Recovery policy will ensure that:
 - The Council will collect and recover all debts in an economic, effective and efficient manner in accordance with legislation and best practice.
 - All tenants are treated fairly and objectively.
 - Action taken will be fair and open, no-one will receive less favourable treatment because of their race, nationality, colour, ethnic or national origin, religious belief, gender, marital status, sexual orientation, age or disability.

Policy

4. The Council will collect and recover all debts in an economic, effective and efficient manner in accordance with legislation and best practice.
 - Text, E-mail and Telephone Reminders, will be issued after a payment has fallen due.
 - Reminders and Final demands will be issued in accordance with pre court protocol.
 - A visit to the property will be carried out if the above attempts at contact have failed and arrears remain outstanding in accordance to pre court protocol.
 - A Notice of Seeking possession will be hand delivered to the property if attempts at contact have failed and arrears remain outstanding in accordance to pre court protocol.
 - A claim for Possession will be issued to the County Court if attempts at contact have failed and arrears remain outstanding in accordance to pre court protocol.
 - If a suspended possession order is granted and this order is breached or an outright possession order is granted, letters, texts, e-mail, telephone call and a visit to the property will be attempted to get the shortfall or the full balance paid.
 - If the above proves unsuccessful a warrant for eviction will be issued to the County Court
 - Once notification of the eviction is received a pre eviction letter will be hand delivered to the property advising the tenant that they have the right to apply for a stay hearing at the County Court.
 - If a hearing is listed the County Court Judge can order for the warrant to be suspended on terms that regular payments are made.
 - If no hearing is requested by the tenant, the warrant for eviction will be executed.

- If the warrant is suspended but the terms of the order are breached letters, texts, e-mail, telephone call and a visit to the property will be attempted to get the shortfall or the full balance paid.
- If the above proves unsuccessful a request is made to the County Court to re- issue the warrant.

ii. Deductions from Income Support, Job Seeker's Allowance, Employment Support Allowance, Pension Credit and Universal Credit

Deductions are made from the debtor's benefits at a rate determined by legislation.

The Council reserves the right to pursue the most appropriate of the above recovery methods depending on the specific personal and financial circumstances of the debtor.

Appendix 7b - Former Rent/Dwelling Charge, Service Charges and Rechargeable Repair Recovery Policy

Introduction

Former Rent, Services charges and rechargeable repairs are monies left unpaid when a tenancy comes to an end.

1. In all cases due regard will be given to the health and individual circumstances of the former tenant to avoid causing unnecessary hardship and to prevent homelessness.

Policy Aims

2. The Recovery policy will ensure that:
 - The Council will collect and recover all debts in an economic, effective and efficient manner in accordance with legislation and best practice.
 - All tenants are treated fairly and objectively.
 - Action taken will be fair and open, no-one will receive less favourable treatment because of their race, nationality, colour, ethnic or national origin, religious belief, gender, marital status, sexual orientation, age or disability.

Policy

3. The Council will collect and recover all debts in an economic, effective and efficient manner in accordance with legislation and best practice.
 - Text, E-mail and Telephone Reminders, will be issued after a payment has fallen due.
 - Reminders and Final demands will be issued in accordance with pre court protocol.
 - A visit to the property will be carried out if the above attempts at contact have failed and arrears remain outstanding in accordance to pre court protocol.
 - A Notice of Seeking possession will be hand delivered to the property if attempts at contact have failed and arrears remain outstanding in accordance to pre court protocol.
 - A claim for Possession will be issued to the County Court if attempts at contact have failed and arrears remain outstanding in accordance to pre court protocol.
 - If a suspended possession order is granted and this order is breached or an outright possession order is granted, letters, texts, e-mail, telephone call and a visit to the property will be attempted to get the shortfall or the full balance paid.
 - If the above proves unsuccessful a warrant for eviction will be issued to the County Court
 - Once notification of the eviction is received a pre eviction letter will be hand delivered to the property advising the tenant that they have the right to apply for a stay hearing at the County Court.
 - If a hearing is listed the County Court Judge can order for the warrant to be suspended on terms that regular payments are made.
 - If no hearing is requested by the tenant, the warrant for eviction will be executed.
 - If the warrant is suspended but the terms of the order are breached letters, texts, e-mail, telephone call and a visit to the property will be attempted to get the shortfall or the full balance paid.
 - If the above proves unsuccessful a request is made to the County Court to re- issue the warrant.

ii. Deductions from Income Support, Job Seeker's Allowance, Employment Support Allowance, Pension Credit and Universal Credit

Deductions are made from the debtor's benefits at a rate determined by legislation.

The Council reserves the right to pursue the most appropriate of the above recovery methods depending on the specific personal and financial circumstances of the debtor.

Appendix 7c - Former Tenant Arrears

1. Introduction

- 1.1 The Department for Work and Pensions (DWP) makes annual grants available to local authorities for DHP purposes. The Council needs to consider how to allocate this limited resource in a way that is not only fair, but also supports those that the Council considers to be in most need of assistance.
- 1.2 This policy sets out how Reading Borough Council Tenant Services intends to collect and manage all Former Tenant Arrears (FTA's).
- 1.3 The purpose of the Former Tenant Arrears policy is to:
- Maximise income and sustain the HRA Business Plan;
 - Manage FTA's consistently and prevent 'bad debt' remaining on tenant's accounts.

2. Scope of policy

- 2.1 This policy applies to:
- Reading Borough Council Tenant Services employees
 - Current and former tenants of Reading Borough Council
 - Partners to Reading Borough Council
- 2.2 The Policy relates to rent, service charges and other Housing debts owed to Reading Borough Council in relation to properties or garages.

3. Legislation

- Housing Act 1985
- Landlord and Tenant Act 1987
- Human Rights Act 1998
- Equalities Act 2010
- Data Protection Act 1998
- Reading Borough Council Tenancy or license agreement(s)

4. The Policy.

- 4.1 The authority has a policy to mount a rigorous campaign to ensure that every effort is made to recover all former tenant debts. The recovery officers will use this policy as an aid to deal consistently and efficiently with these debts with the aim of maximising income and reducing the level of debt.
- 4.2 It must be noted that the guidelines within this document are not exhaustive, and that recovery procedures remain flexible in order to adapt to circumstances of a particular case.

5. Recovery where a forwarding address is known

- 5.1 Once a debt has been determined, the amount shown is correct and a forwarding address identified, the officer will take a series of actions as listed below in order for the debt to be paid in full or a realistic affordable agreement to be made to recover the outstanding debt(s).
- | | |
|-----------------------------|--|
| • Letter 1 | If no response or broken arrangement |
| • Call to tenant/text | 3 weeks after letter 1 and no response or payment |
| • Letter 2 | 3 weeks after call/text, if no payment or response |
| • Call to tenant/text/Visit | 3 weeks after letter 2 |

- Letter 3 3 weeks after text/call

5.2 The actions in the table are not exhaustive and will be supplemented by telephone calls, emails and texts (where there is a valid contact).

5.3 If there is no response from the tenant 3 weeks after letter 3 has been sent, the officer will decide depending on the level of debt, the next appropriate action which would either involve referral to Legal Services, the enforcement of a Money Judgment, commencement of a County Court Judgement or Write off.

5.4 The debtor when contacting the Council will be able to pay the debt in full or set up a payment plan that is affordable and has a reasonable time scale.

5.5 Payment plans will be recorded and monitored by Income Recovery Officers.

6. Recovery following a tenant moving into a care home

6.1 If the tenant has moved into care and debt has arisen as a result, the usual recovery procedures will apply. Income Recovery Officers will use a sympathetic approach when contacting the next of kin or executors.

7. Recovery following a tenant's death

7.1 In these cases, any debt will be charged to the estate. Therefore, letters would be sent to the person who notified us of the death to establish if there is a will, who is the executor, and if there is any estate.

7.2 Any cases identifying No estate that total over £600 will be checked with the public trustee's office to then be considered for write off. Any cases under £600 will automatically be identified for write off.

7.3 If we have been informed of the death by an agency or internal departments within the council due to the fact that the tenant has no known next of kin or executor, any debts under £600 would be put forward for write off, anything over will be confirmed with Public Trustees Office.

8. Recovery where a forwarding address is not known

8.1 If the debtor's whereabouts are not known, the officer must commence trace action. This would involve investigating in-house computer systems such as OHMS, I@W, Academy, and through liaison with other internal and external agencies that may have been involved with this tenant, family members/neighbours.

8.2 Where this has proved negative, an Experian trace will be carried out no sooner than 3 months after the closure of the last known tenancy and should be repeated once a month for the next 3 months to try and locate them.

8.3 If after 3 attempts that proves negative, the debt will be submitted for write off.

8.4 Once the debtor is successfully traced, the processes in section 4 will commence.

8.5 The extent and length of time to which a debt is pursued will depend on the level of the debt compared to the cost of recovery.

9. Minimal accounts

9.1 If the sum outstanding is less than £10 it is considered as uneconomical to pursue unless we are aware of the tenant's current address, or they have an open current account, or they have other outstanding debts with the Housing department.

9.2 If any of the above does not apply, then the officer will move the account onto write off status and put the reason on the notebook.

10. Dispute

10.1 It is possible that the former tenant may contact during any point of the recovery procedure to dispute the debt owed. The officer should take full details of why the former tenant is disputing this, investigate their reasons and feedback the outcome to the tenant.

11. Agreements

11.1 The former tenant may contact during any point of the recovery procedure and make an agreement to clear the debt.

11.2 At this point, the recovery officer will take full details of their household income, expenditure, and any other priority debts to ensure the agreement is affordable and realistic and also establish frequency and method of payment.

11.3 This will all be updated by the officer onto the OHMS system.

12. Full and final settlement

12.1 If a debtor can make payment of 50% of the total housing debt within 28 days of contact with the Income Recovery Team, the remaining 50% of the debt will be written off and classed as recovered.

13. Broken agreements

13.1 If an arrangement is made, and subsequently broken, a broken arrangement letter should be sent asking for the shortfall to be cleared or for the tenant to contact us to discuss further.

13.2 If the broken agreement letter is ignored the case should be progressed to the next level of recovery.

13.3 Where a debtor regularly fails to adhere to agreements and is not clearing the debt then recovery action should be escalated.

14. Further recovery action (enforcement)

14.1 Tenant Services will take enforcement action against former tenants in arrears that fail to repay the debt or adhere to a repayment plan.

14.2 Tenant Services will use methods and processes in pursuit of FTA's appropriate to the amount and age of the debt.

14.3 These methods include but are not limited to:

- Cases where a money judgment is already in place - Making an additional money claim on line (MCOL) via the HM Courts and Tribunals Service Internet based service.
- Repairs Stop for Current Tenants
- Reducing Banding if on the Housing Register
- Overlooking a nomination from the Housing Register

15. Money Judgment Orders

15.1 Warrant of Execution

15.2 In cases where the authority has been granted a Money Judgement Order in respect of a debt, we may enforce the order if not paid by alternative collection methods as listed below.

15.3 **A Warrant of Execution** - sending a court bailiff to collect the money will only apply if the defendant has:

- All the money you are claiming (to stop goods being sold) or,
- Sufficient goods which could be sold at auction to raise money to clear the debt

- Before the court can issue a warrant, the defendant must have:
- Failed to pay the amount he or she has been ordered to pay; or
- Fallen behind with at least one of his or her payments.
- This is called 'being in arrears'.

15.4 Attachment of Earnings - An attachment of earnings order is a method by which money will be stopped from a defendant's wages to pay a debt and as such will only help if the defendant is in paid employment.

15.5 Before you an order for an attachment of earnings can be made:

- The defendant must be behind with at least one payment; and
- The amount he or she still owes must be £50 or more.
- We will ask for an attachment of earnings order unless the defendant is:
Unemployed or self-employed;
A firm or limited company;
In the army, navy or air force; or
A merchant seaman.

There are special arrangements for getting money from someone in the armed forces or a merchant seaman.

15.6 Third-Party Debt Order - A Third-Party Debt Order freezes the defendant's money that is held, for example, in a bank account. An application can be made after we have obtained judgment. However, the judge who considers the application will not make an order unless the judgment debtor:

- Has failed to pay the amount of the judgment when it was due; or
- Has failed to pay one or more of the instalments due under the terms of the judgment.
- The court order which is initially sent to the third party will only 'freeze' money held in an account on the day it is received by (served on) the third party. So if, for example, the order is received a couple of days before the debtor's salary is paid into the account, we are likely to receive little or nothing since the 'freeze' will not be applied to any money paid into the account after the court's order was received.
- It is also open to us to enter into Bankruptcy proceedings against the debtor.
- Where there is no current money judgement order in place, and the outstanding debt exceeds £1000.00 and all other recovery actions have proved negative, but we have a confirmed forwarding address, we will make a claim on MCOL (Money Claim on Line) for a money judgment order and then consider points 11.2.1 to 11.2.3 for the most appropriate action.
- Where any court fees have been incurred by us in recovering the debt, these will be added to the former tenants account for which they will be liable to pay.
- On cases where legal action does not recover the debt, the case will be put forward for the debt to be written off.

16. Redecoration voucher

16.1 Any Reading Borough Council tenant who moves home would normally be offered redecoration vouchers for their new property. However, if they have an outstanding housing debt each case will be looked at on an individual basis by the Neighbourhood Manager, Income Management Manager and the Voids Manager to consider if the value of any vouchers they would have been given should be used to offset against the outstanding debt. This would be done via a manual adjustment from the redecoration budget code to the tenant's debt.

17. Repairs.

- 17.1 In any cases where the tenant is in our current stock and has debts outstanding for a former account, a warning flag will be added to OHMS against the property UPRN (or person PIN) number to identify the outstanding debt.
- 17.2 Any non-essential repairs will not be carried out unless:
- The tenant pays the existing former debt in full, and
 - The tenant pays 50% for the new repair upfront, or
 - If not, only repairs that fit the wind and water tight criteria (Health and Safety) will be carried out.
- 17.3 The flag will remain on the UPRN/PIN until the debt(s) are cleared in full.
- 17.4 In exceptional circumstances and whereby the above criteria cannot be met, the call will be transferred to the Income Recovery Team to investigate further and carry out a financial assessment to establish the tenant's ability to pay. The officer will make a decision as to whether the repair should go ahead providing a contribution payment is made towards the existing debt.

18. Garages

- 18.1 For any person already renting a garage, if it is made aware that they have outstanding former tenant arrears, action will be taken to terminate the garage tenancy. These cases will be looked at on a case by case basis.
- 18.2 For anyone applying to join the garage waiting list will not be eligible to join the waiting list whilst having outstanding former tenant arrears.

19. Home choice

- 19.1 Current tenants with former tenant Arrears (FTA's) are not allowed to transfer within our stock if they owe debt unless exceptional Circumstances apply. An exceptional circumstance may be the Management Transfer Panel informing us someone in the household is at risk if they are unable to transfer.
- 19.2 Tenant Services make every effort to ensure tenancies are not offered to people with outstanding debt. If it becomes known a tenant has transferred and still has FTA's from a previous tenancy (including FTA's relating to garages) they will still be responsible for the debt and this will form part of their current Tenancy or license Agreement. A payment plan should be set up for the FTA's.

20. Other

- 20.1 Credit on a tenants current rent account or sub account can be used to offset the former tenant arrears.
- 20.2 Housing officers will follow the Council's Rent Policy to minimise the potential for FTA's to accrue.
- 20.3 Tenant Services ask tenants to provide personal details and contact details of a relative or friend so this can be used in order to trace FTA's if they occur. Information is kept secure and used in compliance with the Data Protection Act 1985.
- 20.4 Tenant Services will contact former tenants with debt within four weeks of them or us terminating their tenancy if they have not already agreed a repayment plan or made any payments. This will be done in accordance with our FTA's procedure.
- 20.5 Tenant Services will state in correspondence that if the reader is not the intended recipient, they return the letter along with the address of the intended recipient if known.

21. Write off provisions

- 21.1 The income Recovery Officers will refer a debt to the Team Leader for write off if the debtor cannot be traced within one year and the FTA is not economical to pursue.
- 21.2 Income Recovery Officers will consider write offs where the above recovery policy has been followed.
- 21.3 Income Recovery Officers will consider write offs in exceptional circumstances.
- 21.4 Income Recovery refer cases for write off if the former tenant has died and the Executor or Public Trustee confirms there is no estate.
- 21.5 Income Recovery has not contacted a debtor for a period of six years the debt will be statute barred. However, we will still pursue the debtor without any Court Processes.
- 21.6 All write offs must comply with the Income Management Write off Policy.
- 21.7 All write off's have to be approved by the Tenant Services Team Leader.

22. Monitoring, review and evaluation

- 22.2 The Tenant Services Team Leader will monitor FTA cases with reference to the amount of total debt, that the procedure is being followed and to monitor consistency.
- 22.3 Benchmarking will be completed to see how we compare.
- 22.4 This policy will be reviewed annually, or sooner, in line with local, legislative or regulatory changes.

Appendix 7d - Repairs & Maintenance Recharging

1. Introduction

- 1.1. This document outlines the Council's Repairs and Maintenance Recharge Policy.
- 1.2. The policy recognises that tenants have a responsibility to look after their home as laid out in the Tenancy Agreement.

2. This policy is about:

Recharging tenants for necessary repair work, maintenance work and any other general Housing costs created by:

- Deliberate and wilful damage
- Negligence, or
- Accidental/unintentional damage
- Criminal

Caused By:

- The tenant
- Their household
- Any visitors
- Others/Unknown

To:

- The property
- Fixtures and fittings
- Communal areas
- The estate

3. Policy aims

- 3.1. The main aims of the Council's Repairs and Maintenance Recharge Policy is to describe:
 - Under what circumstances we recharge tenants
 - When we would decide not to recharge a tenant
 - How to recover overdue Chargeable repairs
 - To take fair but firm action to ensure that all debts relating to rechargeable repairs are collected to cover the council's costs
 - To be consistent
- 3.2. The council will be pro-active in preventing Chargeable repairs by:
 - Keeping tenants fully informed throughout their tenancy regarding their responsibilities and obligations relating to rechargeable repairs

4. Use of the word 'damage'

The word damage is used in a broad sense in this document. It includes circumstances where corrective work is required because a tenant has neglected to carry out maintenance that is his/her responsibility and components have not lasted as long as they should have, or literally, where damage has occurred.

5. Identifying chargeable repairs

Chargeable repairs may be identified in a number of ways:

- The tenant reports a repair to the Repairs call centre

- The Housing Officer/Voids officer identifies Chargeable repairs at a pre-term inspection
- The contractor identifies Chargeable repairs at a property/garage inspection
- The surveyor identifies Chargeable repairs at a property inspection
- Any Reading Borough Council Officer identifies Chargeable repairs at a tenancy visit

6. Councils Responsibilities

- 6.1. The council is responsible for repairing the structure and the outside of the property and for making sure fixtures and fittings for electricity, gas, sanitation, and water are safe and in working order.
- 6.2. The tenant will only be charged if the cause of these works was due to tenant damage or neglect.
- 6.3. All repairs related to gas and water must be completed by approved council contractors and must not be carried out by tenants or private contractors.
- 6.4. The repair of defects or damage resulting from fair wear and tear will not normally be recharged unless referred to in the Tenancy Agreement.

7. Occupied Properties

- 7.1. Reporting Repairs - Tenants should report repairs to the Repairs Hotline 0118 37 3757. This number is available Monday to Friday 9am - 5pm.
- 7.2. When a tenant reports a repair, there may be a pre-inspection where there is doubt about whether or not the repair is chargeable, or a series of questions asked to identify how the repair occurred.
- 7.3. However, if it has been established that it is chargeable, they should be informed:
 - That the repair is rechargeable
 - What the potential cost will be, and
 - A down-payment of 15% of the estimated cost is required before the works/repair will be carried out
 - That they have the option to repair themselves (unless related to gas and water)
 - Tradesmen will only carry out works specified on the job ticket. Any additional works/repairs identified whilst on site will need to be logged as a separate job.

8. Out of hours

- 8.1. The out of hours emergency repairs service 0118 937 37 37 operates when the repairs line is closed (4pm-9am). Tenants should only contact this number if emergency works are required. These include make safe glazing, water leaks, hot water, heating, fire, flood, problems with gas and securing a door if required following forced entry.
- 8.2. A standard emergency callout charge is applicable in most of these cases along with any repair costs and is chargeable to the tenant.
- 8.3. All of the repairs listed above will be carried out irrespective of any outstanding debts as the Council has a responsibility towards Health and Safety regulations, whilst ensuring that properties are wind and water tight.
- 8.4. Any non-essential rechargeable works will not be done out of hours.

9. Criminal Damage

- 9.1. If a tenant reports a repair caused through criminal or third-party damage to windows or exterior doors, the Call centre will ask a series of questions to establish how the damage occurred, the Crime reference number should be taken or tenants should be advised to report the incident to the police and ring back with the Crime reference number. Full details of what has been discussed should be

logged onto OHMS. These calls should be marked as rechargeable in order for a full investigation to take place. However, in these cases, a 15% deposit should not be taken as it is only make safe at this stage.

- 9.2. A call should then be logged with the back office to make safe the window/door. At this visit, the trade's staff will obtain information/evidence including photos of the damage, which then need to be passed to the Housing Officer within 24 hours.
- 9.3. The Housing Officer should review all information received and check to see if there is a history of previous damage and then make a recommendation to their Team Leader as to whether the tenant should be charged or not.
- 9.4. If through investigation it is established that the damage has been caused by someone living in or visiting the tenant's home, the tenant will be recharged for any repair work carried out. In these cases a reglaze or replacement door will not be ordered until the make safe charges have been paid unless for H&S reasons.
- 9.5. Note: The police will give a crime reference number when an alleged crime is reported. Having a crime reference number does not in itself prove criminal damage.

10. Damage caused by the police

- 10.1. For any occasions where the police are in possession of a warrant it would be a lawful entry and the warrant would have been issued by a Magistrates in accordance with Section 8 of the Police and Criminal Evidence Act 1984.
- 10.2. When a lawful entry is made the police have no liability for the damage which may be caused in securing the entry.
- 10.3. The tenant will still have to pay for any repairs even if no one was arrested or any items found.
- 10.4. The only instance whereby a charge would not be expected to be paid is if the police have entered the wrong address.

11. Forced entry/Fear for welfare

- 11.1. These cases will be looked at on a case by case basis taking into consideration the full circumstances and a decision will be made by a Tenant Services Manager as to whether the tenant will be recharged for any repairs.

12. The Tenant's Responsibilities

- 12.1. The tenant's repair & maintenance responsibilities.

The tenant's responsibilities for looking after their home are outlined in the Tenancy Agreement.

- 12.2. This makes it clear that if the tenant fails to carry out his/her responsibilities covered in their tenancy agreement, and by not doing so will create further deterioration of the property, the Council may decide to do the work and recharge the tenant for this.
- 12.3. The tenant can at any point request that the council carry out works on their behalf on the understanding that they will be charged for this work.

13. Repairs identified as a tenant responsibility

13.1. If the identified repair is the tenant's responsibility it does not necessarily mean that they have to do the work themselves, merely that they are responsible for organising and paying for the repair, except repairs relating to gas and water -see Council's responsibilities.

13.2. Private contractors may undertake electrical work as long as the tenant advises the council which trade body the electrician belongs to and the work is permitted by the council, before the work commences. A registered electrician must undertake the electrical work and an Electrical Completion Certificate for the work must be sent to the Housing Officer to be placed on OHMS and I@W.

13.3. Alterations/Repairs made by tenants

Alterations and home improvements are effectively damage to the property if they have:

- Been carried out without the Council's permission, see Section 7.4 of the tenancy agreement
- Not been carried out to the required standard, or
- Not been maintained or is unsafe.

14. Contractors/Officer Time

14.1. Officer time or Contractors time in relation to works/forced entries carried out to properties will be recharged to the tenant whereby:

- A tenant fails to organise access for a Gas Service. The charge for the admin time to arrange and serve notices and officer time to attend the forced entry appointments will be recharged to the tenant.
- Whereby works are ordered via a sub-contractor and the tenant fails to allow access or be in for the appointment, if time is charged back to RBC from the contractor then this will be invoiced onto the tenant.

15. Communal Areas - Storage and clearance

15.1. Charges will be passed on to the tenant whereby goods left outside of flats have to be stored for 28 days and the tenant wishes to collect them.

15.2. Charges will also be passed on to the tenant where rubbish is left outside of flats or in communal areas.

15.3. Charges for dumped rubbish in any communal areas will be passed on to all tenants unless proof is obtained which identifies the offender.

16. Pests/Pets

16.1. Charges to deal with pests whereby a tenant is the root cause or pet infestations will be passed on to the tenant accordingly.

16.2. Charges to treat individual flats will also be passed onto the individual tenants if we have chosen to organise and pay it for them initially.

16.3. Charges to treat the clean and clear or flea treatment of a property because of a pet will be charged to the tenant.

17. Option to repair damage

17.1. Whenever possible tenants should be given the option to repair any damage themselves at which point they will be advised by the Council of the acceptable standards required. If they take up the option a reasonable timescale should be agreed, in writing, by which time the work should be completed.

17.2. Where a tenant has opted to repair damage themselves rather than the council carrying out this work, a post inspection of the work will be carried out by a council surveyor/Housing Officer. This is to ensure works are completed to the required standards and if not, the council will bring the repairs up to the required standard and the tenant will be charged for this.

17.3. It might not be possible to give a tenant the opportunity to do the work if it is a threat to health and safety (of the tenant and/or other people).

18. Repayment

18.1. Registering the debt - An invoice should be sent to the tenant within 21 days after the work/repair has been carried out and costs calculated.

18.2. This invoice will show total cost of works, less the 15% that may have already been paid at the time the repair was reported, and the outstanding balance due. VAT will be applied as appropriate.

18.3. Affordable Payment Plans - If the tenant is unable to clear the outstanding balance within 28 days, an affordable realistic agreement can be made with the tenant based on their household's financial income. This also needs to take into account frequency and method of payment to ensure this debt is cleared in a reasonable time frame, ideally within 12 months of the works being carried out.

18.4. Second recharge items - If the tenant has outstanding debt for a previous repair/works that have been carried out, subsequent non-essential repairs will not be carried out unless:

- It is a threat to H&S

18.5. Important Note: The identification of a second or any subsequent recharge repair will trigger an investigation by the Housing Officer (each time) to assess if there is the need to take enforcement or supportive action.

19. Income recovery

19.1. Repairs and maintenance Chargeable repairs and former tenant arrears are both dealt with as sundry debts. There is no specific housing legislation aiding recovery as there is for a current tenant's arrears of rent.

19.2. Debt chasing is carried out on a 21 day recovery cycle.

19.3. Where a tenant opts to pay by instalments the agreement should be of a level that clears the debt as quickly as possible, preferably within 12 months.

19.4. Where tenants owe money to Reading Borough Council but are due to receive incentives/monies from the Council, we will offset this against any outstanding debt.

20. Former Tenants

20.1. Rechargeable works may be identified when a property is inspected before the vacating tenant moves out. The tenant needs to be given the opportunity to put the works back to re-let standard prior to them moving out. However, most rechargeable work will be discovered when furniture and fittings have been removed and the property is vacant. Photographic evidence will be taken at this stage and passed to the Sundry team as evidence for the recharge.

20.2. In all cases where the address of the former tenant is known, an invoice will be raised at the earliest opportunity for any completed chargeable repairs to bring the property back to re-let standard.

20.3. Note: We cannot give a former tenant the opportunity to do the work after they have moved out.

20.4. See former tenant arrears policy for tracing and further recovery action.

21. Management Transfers, Transfers, Mutual Exchanges and Tenancy Changes

- 21.1. All properties need to meet the required standard. Any works that have to be carried out on behalf of the tenant to bring the property up to standard will be chargeable.
- 21.2. Mutual Exchanges: all Housing debts have to be cleared in full prior to assignment.
- 21.3. Transfers: All Housing debts have to be cleared prior to offer.
- 21.4. Tenancy Changes - All housing debts have to be cleared prior to assignment or succession.
- 21.5. Management Transfers: Debts should be cleared prior to offer but a move in these instances is crucial for the safety of the tenant. Whatever debts are not cleared prior to a move will still have to be cleared off afterwards as they will form part of their new tenancy agreement by default.

22. Garages

- 22.1. For any person already renting a garage, if it's made aware that they have outstanding Housing debts, action will be taken to terminate the garage tenancy. These cases will be looked at on a case by case basis.
- 22.2. For anyone applying to join the garage waiting list, they will not be eligible to join the waiting list whilst having outstanding housing debts.

23. Exemptions

- 23.1. In exceptional circumstances where the Housing Officer feels that the tenant should not be charged for a repair, evidence should be submitted to the Tenant Services Manager on a case by case basis for a decision as to whether this debt will be charged.

24. Bad debt provision (financial accounts)

- 24.1. Where a debt is owed by a former tenant, the debt may ultimately be 'written off' the financial accounts - refer to the Debt write off policy. However, the debt will always be considered as live until the debt is cleared.

Appendix 7e - Leasehold Management Policy

1. OVERVIEW OF POLICY

This document outlines the Council's Leasehold Management Policy which includes Income, Service Charges and day to day management. It sets out the approach to delivering this service and the collection of associated charges.

The policy relates to all Leaseholders and shared owners who are contracted to pay service charges to Reading Borough Council.

There are currently two designs of lease; Old and New.

Old is where charges are paid for in arrears.

New is where charges are estimated and paid for in advance and the previous years estimates confirmed.

However, all leases are slightly different dependant upon the estate makeup.

The policy described here takes into account legislation and Reading Borough Council policies.

1.1 POLICY STATEMENT

The Homeowner team will work closely with it's Leasehold and Shared owners to ensure Service Charges are clearly explained, equitable, and presented in a format that take account of individual leaseholder's needs and requirements. Each lease clearly stipulates what is included as part of the service charges, when they are due and how they are calculated.

2. POLICY AIMS

2.1 To promote a robust and effective approach to minimising service charge arrears. Recovery action will be well publicised and implemented fairly in respect of all service users. The recovery procedure includes letters, telephone calls and visits, so that every effort is made to contact the leaseholder.

- To raise service charges within government bound legislation deadlines
- To ensure service users have the information and support they need to maximise their income and prevent or minimise their debt
- To provide Service users with information about their service charges, including costs, how their charges are calculated and apportioned
- To offer a wide range of payment methods
- To provide service users with as much notice as possible when exceptional charges are likely, for example planned maintenance works.

2.2 Aim to deliver continuous improvements and value for money in our services provided

2.3 We will keep to any statutory requirements in delivering and charging services to our Service users

3. RELEVANT LEGISLATION

Housing Act 1985

Landlord and Tenant Acts 1985 and 1987

Housing and Planning Act 1986

Leasehold Reform, Housing and Urban Development Act 1993

Housing Act 1996

Commonhold and Leasehold Reform Act 2002

There are services that we provide to service users on a 'variable service charge' basis, we will abide by the provisions set out in the Landlord and Tenant Acts 1985 and 1987 (as amended). These set out the requirements for operating a variable service charge. Amounts charged will vary between properties and depend upon the property specification and the services and facilities provided to and within them.

4. SERVICE STANDARDS

- Reply to letters within 5 working days of receipt
- Answer phones within 15 seconds
- Acknowledge email enquiries within 24 hours detailing the person dealing with their enquiry
- See Leaseholders within 10 minutes of their arrival at reception
- Provide a leasehold service during normal office hours
- Visit Leaseholders at home if they can't get to the Civic Offices
- Send Leaseholders our customer newsletter "Housing News" at least 3 times a year
- Send Leaseholders the Leasehold Newsletter at least twice a year
- Give Leaseholders a leasehold handbook when they become a leaseholder
- Investigate and take action when a breach of lease is reported to us
- Arrange leasehold surgeries/forums as appropriate to give leaseholders the opportunity to discuss any concerns
- Operate our repairs call centre 8-6pm and provide a freephone service to make it easy for Leaseholders to report repairs
- Provide an emergency call out service for immediate and serious problems
- Provide a mediation service to help resolve neighbour nuisance and ASB
- Involve and work with the police and other agencies with regard to ASB and nuisance
- Consider legal action against any leaseholder who continues to behave anti-socially
- Neighbourhood Officers will ensure the cleaning schedule is displayed in the blocks showing what should be done and when
- Provide Leaseholders with accurate information about service charges and other charges due
- Send Leaseholders a service charge statement twice a year showing all payments and charges
- Contact Leaseholders within 3 weeks if they fall behind with their service charge to help them manage their debt
- Ensure that a Leasehold Management Team member attends local Service users group meetings regularly
- Get feedback about satisfaction with services in a variety of ways (such as estate walkabouts and inspections and surveys)
- Develop the sounding board
- Listen to what Leaseholders say and learn from their complaints
- Arrange an interpreter to help Leaseholders communicate with us on key issues
- Provide information in plain English and avoid using jargon wherever possible
- Make information available in alternative formats such as large print, Braille or audio tape on request

5. PERFORMANCE TARGETS

Performance will be monitored by collection of the following:

- Level of service charge arrears
- % collected as % of debt owing
- No of Complaints
- Yearly satisfaction survey results

6. MONITORING AND REPORTING

We regularly monitor service provision, associated costs, and our performance. These are reported monthly to senior management and are used for benchmarking purposes and service improvement.

Officers complete weekly stats to identify accounts actioned, visits carried out, telephone calls and agreements made to ensure and monitor consistency.

7. BENCHMARKING

We are a member of a benchmarking group which includes Local Authorities from England and Wales.

This group meets bi-annually to review best practice and benchmark our services and customer satisfaction against each other.

8. SERVICE CHARGES

8.1 SERVICE CHARGE DEFINITION

Section 18 of the Landlord & Tenant Act 1985 (as amended) defines a service charge as “an amount payable by a tenant of a dwelling as part of or in addition to the rent, this is payable directly or indirectly for services, repairs, maintenance, improvements, insurance or the landlord’s costs of management and the whole part of which varies or may vary according to the relevant costs”

For this purpose:

- (a) “Costs” includes overheads, and
- (b) relevant costs in relation to a service charge for which they are incurred, or to be incurred in the period for which the service charge is payable, or in an earlier or a later period.”

Basically, it is possible to collect service charges that have already been incurred and expected budgeted expenditure for the future, provided that the lease allows.

8.2 SERVICES

We will provide a variety of services to Service users. These will vary from lease to lease. Service users will be informed at the beginning of their contract which services will be provided and the current costs of providing those services. Changes in the provision of services will be the subject of consultation (see consultation section).

The following list provides an example of possible services:

- Cleaning of communal parts
- Grounds maintenance
- Communal power
- Communal water supply
- Communal heating systems
- Door entry system/maintenance
- Lift maintenance
- Responsive repairs to communal parts
- Fire alarm testing and servicing
- CCTV
- TV Aerials
- Management costs
- Buildings insurance

This list is not exhaustive.

8.3 MANAGEMENT FEE

The definition of the service charge in any lease allows for the collection of a fee to cover the costs incurred by Reading Borough Council in meeting its landlord obligations as they relate to the provision of services and the repair and maintenance of communal areas or parts.

These costs can include:

- all reasonable fees charged and expenses payable to a surveyor, solicitor, accountant or other person who may be employed in connection with the management of maintenance of communal areas or parts
- The cost of calculating and collecting the charge including the cost of preparing the service charge summary

The management fee will be reviewed each year based on costs incurred and also benchmarking to make sure that the fee is comparable with that charged by other social landlords.

8.4. EXTRA CHARGES

These are one-off invoices for services or works which are not included in the service charge. These can be costs relating to solicitors enquiries and administration fees. These will be invoiced separately to service charges and where applicable, payment in full is required before information is released or updated.

9. PAYMENT TERMS FOR SERVICE CHARGES

9.1 Service charges

Payment will be requested in full, however, service users can apply to pay by monthly instalments. They would need to provide a suitable repayment plan and timeframe which would need to be agreed by the Homeownership Team.

9.2 Apportionment

The method of apportionment will depend upon the design of the estate and any variation in property types. Leases will set out Reading Borough Council's obligations in respect of the provision of services, and will generally outline how the costs of the services are apportioned between Service users.

Where there is no specific apportionment required by the lease, this will normally be applied on a pro-rata basis, based on the number of homes within the block/estate receiving the service.

It is possible for a variety of apportionment methods to apply dependent on the service:

Estate - where charges are shared across a number of blocks collectively described as 'the estate (Parks, car parking etc).

Block - Where charges are applicable to one particular block of flats or dwellings within the estate

Communal - Where certain blocks have more than one communal area, only the service users whose property lies within that area will be charged

Points - charges such as repairs may be further apportioned having regard to the property size based on its individual point value

9.3 Calculation

The service charge financial year is calculated from 1st April to 31st March.

For 'Old' style leases we will confirm costs for each service provided for the previous financial year.

For 'New' Lease styles we aim to estimate charges broadly by using the previous years actual costs, and confirming current cost increases in services to ensure that the charges are as realistic as possible, to avoid excessive surpluses or deficits at year end. We will also confirm expenditure for the previous financial year.

At year end we will collate actual expenditure and following this, we will notify leaseholders of actual expenditure and any differences will be rectified on the Leaseholders account accordingly.

9.4 INVOICING CHARGES

An annual schedule of estimated service charge costs will be drawn up for each block/estate at the start of each financial year, based on the actual costs of the previous full financial year, plus any assumed inflationary costs and any local knowledge.

We will maintain comprehensive accounting records for each service user who receives chargeable services. Each account will be debited under the various budget heads and credited with payments made by the service user. An annual summary of accounts will be produced for each service user's property.

Where actual costs in any accounting year exceed the income for the same period, the balance will be

- added on to the next years service charge account (for this to be recovered)

Where actual costs in any accounting year are less than the income for the same period, the balance may either be:

- credited to the next years service charge account or
- refunded to the service user

10. SINKING FUNDS/EXTERNAL REDECORATION ACCOUNTS

Some leases allow for the charging and collection of these on an annual basis.

Interest accrued on a sinking fund balance will be applied to the account on an annual basis.

A yearly statement will be sent out to all leaseholders that contribute to one or both of these funds detailing income and expenditure.

11. DISPUTED CHARGES

Where the leaseholder is disputing and/or refusing to pay their service charge, prompt action is required by the landlord. The service user will need to provide details of the service charge they are disputing and will be advised that they would be expected to pay the service charge elements not in dispute.

The Leasehold Management Team will carry out a full investigation and liaise with other internal departments to which the dispute(s) relate to, to confirm works being carried, costs, calculation or reasonableness and report back to the Service User.

If an element of the charge is incorrect then the service users account will be rectified accordingly by the Leasehold Management Team and any credit this produced will be refunded back to the Service User.

If after investigation the charge is upheld, but, the leaseholder still disputes this, the landlord will offer various methods of resolution. The disputed charge could be taken through RBC's complaints/service charge appeals procedure or a leasehold mediation service, which will be run either internally or externally. The ultimate adjudicator would be the Leasehold Valuation Tribunal.

12. MAJOR WORKS

Where the lease allows, a sinking fund should be in place to cover the replacement/renewal of key facilities e.g. Roof replacement; replacement of door entry system; etc.

Contributions for the sinking fund will be collected as part of the annual service charge, but identified separately. Sinking fund contributions will be based on estimated life cycle costings for each element.

We hope to confirm on an annual basis, any works that may be required to any block/estate.

Any major works will require RBC to consult with Service users prior to commencement of works. See point 21.2.1.

Major works invoices will be charged once work commences and then the charge confirmed once works completed. The invoice will be amended accordingly to reflect the correct charge.

Any monies in the service users sinking fund will be used to offset the cost of any major works required.

We offer leaseholders a number of ways to pay for Major Works with balances over £250.

They can either pay:

- In full, or
- Set up an arrangement plan

If there are insufficient funds in the sinking fund or the service users lease does not allow for a sinking fund we offer the timeframe for paying by instalments is dependant on the amount of the charge, as follows:

From:	To:	Maximum Period:
£251	£500	3-6 months
£501	£1000	6-9 months
£1001	£2000	9-12 months
£2001	£3000	12-24 months
£3001	+	24-36 months

Any debt not cleared within 36 months would incur interest at the current rate as appropriate.

If the leaseholder requires a period longer than 36 months to clear this debt, this would need to be authorised by the Senior Income and Homeowner Officer and the Income Management Manager but this should not exceed a maximum of 48 months to repay the whole debt.

13 LEASEHOLD INCOME

13.1 INCOME

Leasehold Income is used to describe income collected by the Homeownership Team. This includes:

- Service Charges
- Major Works costs
- Administration Costs

13.2 PAYMENT METHODS

- Direct Debit
- Standing Order
- Reading Borough Council's website's online payment facility
- our automated telephone payment service on 0118 9372877 (24 hrs)
- by telephoning 0118 9372092 (Leasehold Management Team) during Monday to Friday 9am to 5pm.
- Direct from your salary (if RBC employee)

14. INCOME RECOVERY

We will help and support leaseholders to prevent them getting into arrears by:

- Ensuring that all service charges are calculated correctly in accordance with the law and lease
- Treating service users fairly, and to act lawfully in accordance with the lease
- Making it easy for service users to pay their charges by having a wide variety of payment methods available
- Offering service users affordable payment plans to enable them to pay any arrears (in addition to their service charges payable) in stages over an agreed period of time
- Offering service users the facility of a 3 year interest free repayment option in relation to major works when eligible, in accordance with best practice
- Ensuring service users meet their obligation to pay the current service charge and to work with us and other organisations to assist them to pay their charges or obtain welfare benefits
- Preventing arrears by giving good advice on debt management and by promoting the take up on benefits through our partner agencies
- Making early personal contact with every service user in arrears and make regular personal contact if arrears persist
- Working in partnership with the in house debt advisor who can assist with financial and benefit advice where genuine difficulties exist
- Ensuring that service users disputes are resolved quickly and that the service users agrees the charges due in accordance with our complaints procedure
- Start Legal action, or action via the Leasehold Valuation Tribunal, promptly when appropriate to protect the landlord against further debt and seek to minimise individual debt
- Approach mortgage lenders as appropriate when arrears persist.
- Making our debt recovery procedure clear to new service users.

14.1 INHOUSE RECOVERY

Homeownership Officers will review all accounts in their patch fortnightly by using the arrears balance function in OHMS using the HPM module.

The officer will determine the next appropriate action to be taken for each account and note this on the system. This will enable action taken to be clearly visible via the status codes and account notebooks on HPM. The officer will follow the recovery actions as per table below.

This lists the minimum recovery action that should be taken, assuming no response, before a debt is referred to a higher recovery level.

Service charge raised:

• Letter1 (see Appendix 1)	28 days after service charge bill sent
• Call to leaseholder/text	14 days after letter 1 or SC let2
• SClet2 (see Appendix 2)	14 days after call/text or sclet1
• Visit to leaseholder/tell call	1 week after sclet2 or hand deliver sclet3 if not in
• SCLET3 (see Appendix 3)	1 week after visit/call
• SCLET4 (see appendix 4)	1 week after SCLET3
• LHLENDER & MORTGAGELENLET (See appendix 5&6)	1 week after SCLET4
• LEGAL PROCEEDINGS (See further recovery section)	as specified

The actions in the table are not exhaustive and may be supplemented by **telephone calls, texts, emails and visits** (where appropriate).

15. DEBT ADVICE

Service Users who are behind with their service charges, and/or have other serious debts would be offered the same support as renting tenants. This will mean referral to our in-house debt advisor. We will also offer advice on entitlement to welfare benefits.

16. BANKRUPTCY/IVA/DRO

If a Leaseholder or shared owner is about to be made bankrupt, or applying for a DRO, administration order or proposes an individual voluntary agreement, RBC will ensure that the service charge and/or major works debt is included in the repayment schedule.

However, neither bankruptcy, IVA or DRO will affect the service charges or major works monies outstanding.

Once the property is sold, all the outstanding monies owed in relation to the lease will be paid from either the funds from the sale of the property or will be transferred to the new owner who will be liable to pay for them.

17. LENDER REFERRAL

If other recovery action has failed, and the debtor's circumstances are that they have a mortgage on the property, we will contact their lender. This is because the mortgage lender has a financial interest in the property and we will negotiate if they are willing to clear this debt on the service users behalf.

18. LEGAL REFERRAL

For cases where the service users are not engaging or making attempts to clear the debt, these will be passed to our legal department for an application to be made to the County Court to obtain a Money Judgement against the debtor, and the actions below taken afterwards if necessary.

If once this order is granted, and the service user fails to make payment the case will be referred back to our legal department to enforce proceedings. This means that an application will be made to the Court for alternative collection of the debt by means of:

- Warrant of Execution
- Attachment of Earnings
- Garnishee Orders
- Charging Orders

If the above enforcement action proves negative then the account should be referred for a Leasehold Tribunal Panel to consider forfeiture.

19. FORFEITURE

Forfeiture is where the Council applies to the LVT to end a lease because a Covenant of the lease has been breached. This could happen if:

- Service charges are unpaid and all other forms of recovery have been ineffective
- Nuisance and or harassment of neighbours
- Neglect or damage of the service users property

If the LVT decides that the terms of the lease have been breached, it may end the lease and give Reading Borough Council possession of the service users home.

As a responsible landlord, we only take this action when all other attempts to resolve the matter have failed. We have to protect the interest of the Council, its tenants and other Service users.

20. CHARGING ORDERS

These will only be used in extreme circumstances whereby this proves the most cost effective way of securing payment of the debt. These will be looked at on a case by case basis by the recovery officer and will need to be agreed with the Senior Income and Homeowner Officer.

21. PERFORMANCE TARGETS

Performance will be monitored by collection of the following:

- Level of service charge arrears
- % collected as % of debt owing
- No of Complaints
- Yearly satisfaction survey results

22. CUSTOMERS

22.1 EQUALITY AND DIVERSITY

The Homeownership Team recognises the needs of a diverse community and always acts within the scope of Reading Borough Councils Equality Policy.

The Homeownership Team is responsible for recording, analysing and monitoring information on ethnicity, vulnerability and disability of our service users to ensure we provide a tailored service including offering a range of languages and formats to meet their requirement

22.2 SURVEY

At least once every two years, a service user satisfaction survey will be sent out. From the information received, the Homeownership team will investigate to see if any improvements can be made to the service.

The results will be collated and published to all service users via the Homeownership Newsletter and internally within the organisation.

22.3 FEEDBACK

Any dissatisfaction or complaints received in any format will be acknowledged within 5 working days.

If the service user is unhappy with any area of the service provided, the issue will be progressed through Reading Borough Council's complaints procedure or Leasehold Valuation Tribunal (LVT).

Applications to the LVT can be made at any time without reference to Reading Borough Council's complaint procedure.

22.4 PARTICIPATION

Service users are offered the opportunity to review performance and make recommendations for improvement by completing the annual survey, or at our Homeowner Forums or as and when they feel the need.

We will offer Homeowner Forums bi-annually along with other methods of involvement according to service users requests. This enables them to play an active part in moulding the service.

There is an opportunity for service users to become a member of the sounding board so we can liaise with them on specific issues that we are not legally bound to consult on.

Service users can also join a tenants and residents association. This is a group of local people that come together to put forward the views of residents in an area to solve local problems.

We will actively promote all methods of participation to all service users.

22.5 NEWSLETTER

A bi-annual newsletter that is sent out to all service users. This provides information on any changes, 'hot topics', performance and we also encourage service users to have an opportunity as to what issues they would like covered in this publication.

22.6 LEASEHOLD QUALITY MARK

A panel of Leaseholders have reviewed each factsheet contained within the leasehold handbook and have agreed on the layout, design and clarity. The handbook has been given the Leasehold Quality Mark. Any new factsheets developed will adopt this process.

All new service users will receive a copy of this within 3 weeks of moving in.

There is an opportunity for service users to become a member of the sounding board so we can liaise with them on specific issues that we are not legally bound to consult on.

Service users can also join a tenants and residents association. This is a group of local people that come together to put forward the views of residents in an area to solve local problems.

We will actively promote all methods of participation to all service users.

22.7 SERVICE USER PROFILING

The Homeownership Team will endeavour to maintain a database of our service user profiles and also to ensure we can tailor services to meet their individual needs.

A service user census will be sent every two years to obtain up to date information.

For any new service users, the census will be sent to them within 4 weeks of them moving in.

22.8 3 WEEK VISIT

The Homeownership team will contact new service users whether the property has been acquired through the open market or the right to buy within 3 weeks of moving in to give them an opportunity to meet with us and discuss any questions/queries they may have.

22.9 TENDERING

We will endeavour to ensure that all service contracts, whether provided internally or externally, are cost effective and represent good value for money. New contracts will routinely be subjected to competitive tendering, but it is recognised that some equipment is so specialised that a supplier may have a monopoly position in the market place.

All contracts will be reviewed regularly to ensure that their standard of service and cost effectiveness is being maintained.

Where possible, Reading Borough Council wide contracts will be placed to gain discounts through economies of scale.

Where required by law, we will consult with service users over the letting of long-term (partnering) contracts that impact on service charges.

22.10 CONSULTATION

The Homeownership team is committed to resident participation and consultation. With regard to service charges, Service users will be consulted on the following:

- any change in the provision of services including:
 - introduction of new services;
 - removal of existing services; and
 - change in standard of existing services
 -
- any change in the way charges are divided between various Service users
- any other administration changes i.e. handbook

22.11 SECTION 20 CONSULTATION

We are legally bound to carry out Section 20 Consultation in order to recover our full costs in cases where:

- Major works over £250 are to take place
- Any long term agreement is going to be entered into

23. NUISANCE

Reading Borough Council has an Anti Social Behaviour team that deals with ASB against all residents. Reported nuisance or anti social behaviour initially will be dealt with by the Homeownership Team. For more serious cases, The Homeownership Team will liaise with the ASB team for assistance or advice. Where nuisance is reported involving leaseholders, the Homeownership Team will liaise with the ASB team and persons involved to remedy the situation. If this fails, legal action will be taken against the perpetrator.

24. LOCAL AREA AGREEMENTS

Local area agreements are in place and will ensure service requirements are met.

The following LAA's are in place with:

- Cleaning
- Accountancy (Landlord Lighting)
- Neighbourhood Management
- Anti Social Behaviour
- Lift Maintenance and cyclical works
- Insurance
- Legal
- Repairs
- Planned Maintenance

25. EXTENDING YOUR LEASE

Leaseholders and shared owners are able to at any point during their lease, apply to extend it. However, it is recommended that this is done when there is approximately 80 years outstanding on the lease.

26. BUYBACKS

If a Leaseholder or shared owner wishes to sell their property they could ask RBC to consider buying the property back.

The Council has no obligation to do so but in making a decision would consider affordability and demand for the size of the property in question.

27. RIGHT OF FIRST REFUSAL

If a tenant purchases their home under the right to buy scheme, who become a leaseholder/shared owner and within 10 years of purchase they wish to sell or dispose of the property, they have to offer it back to the Council to buy back.

The Council has no obligation to do so but in making a decision would consider affordability and demand for the size of the property in question.

The Council has a maximum of 8 weeks to decide if we will buyback the property. If after 8 weeks we have not made a decision then the leaseholder is free to sell the property on the open market.

28. DOWNSTAIRCASING

A leaseholder or shared owner wishing to down staircase must contact RBC if they are interested.

The Council has no obligation to do so but in making a decision would consider affordability and demand for the size of the property in question.

If the Council agrees to buyback a % of a Leaseholders property they would then become a shared owner and would then be liable to pay a rent charge on the % they did not own.

If a shared owner down staircases, their rent liability would increase on the % share they do not own.

If downstaircasing is agreed, the Council would value the property and provide the leaseholders/shared owner of a cost of their share that they want us to buyback.

29. PURCHASING FURTHER SHARES

If a shared owner wants to purchase further shares in their property, they should do so in writing in order for the Council to carry out a valuation.

Further shares can be purchased at a minimum of 25% and up to a maximum of 100% at which point the shared owner would become a leaseholder or freeholder dependant on the type of property.

30. DISABLED ADAPTATIONS

The request for the installation of any disabled adaptations should be requested in writing to the Homeownership Team detailing the proposed requirements.

If the adaptation is to be located in a communal area then this will be referred to the Head of Housing and Repairs Manager to approve.

Health and safety will be a priority and the application may be refused if it jeopardises the health and safety of other residents.

If the adaptation is to be located in the service users flat then the Council would again have to consider Health and safety and fire regulations before permission can be granted.

In both cases, Planning and Building control regulations will need to be obtained and paid for by the service user where applicable if the disabled adaptation is approved.

31. PROPERTY ALTERATIONS

As service users do not have a statutory right to undertake improvements it will be necessary for them to request in writing to the Homeownership Team permission to alter or amend the structure or exterior.

Each request will be looked at on its own merit and a decision will be sent to the service user within 28 days from the date the request is received.

Any denial of the proposed alterations will be accompanied with a full written explanation.

Planning and Building control regulations will need to be obtained and paid for by the service user where applicable if the alteration is approved.

32. DECEASED ACCOUNTS

There may be a service charge outstanding for a service user who is deceased. In these cases a letter will be sent to the executor or service user representative to detail the balance outstanding. At the point that the property is sold, the executor or representative will have paid the outstanding balance from the deceased's estate. Failing that these will be transferred to the new owner as part of the sale agreement.

33. SUBLETS

Shared owners are not permitted to sublet their properties.

However, leaseholders are allowed to sublet their property providing they inform us of their intention to do so.

Once this has been received, the leaseholder will need to provide a copy of the assured short-hold tenancy agreement, gas safety certificate (if applicable) and details of their forwarding address along with their tenants contact details.

To cover our administration costs, there is a fixed charge at the current rate plus VAT for each leaseholder who registers their intention to sublet.

For insurance reasons it is necessary for the leaseholder to tell us if they are not living in the property or if they are not using it as their sole and principal home.

Leaseholders who sublet will be charged a fixed annual administration fee plus VAT to ensure that records are kept up to date regarding leaseholders and their tenants.

For insurance reasons it is necessary for the leaseholder to tell us if they are not living in the property or if they are not using it as their sole and principal home.

In cases where a leaseholder sublets their property, service charges have to be paid in full on demand within 28 days from the date of invoice. They will not be offered the facility to apply to pay by instalments.

All correspondence in relation to the property will be addressed to the leaseholder and not their tenant. The tenant is the responsibility of the leaseholder, the lease is a legal document that should be abided by. Any covenants of the lease that are broken will be enforced by RBC to the leaseholder, irrespective of who has broken them.

34. AMENDING THE LEASE

If a service user or RBC needs to amend a clause within a lease or plans referred to in a lease, will be done through the normal process of a deed of variation. The Council will instruct the internal legal department in all cases. In order for a lease to be varied, both parties (RBC and the service user) must agree to the new terms/plans.

The party who requested the amendment will be responsible for any costs incurred.

35. FIRE SAFETY

Reading Borough Council has an in-house fire safety officer that works with Berkshire Fire Services to ensure that the latest fire regulations are adhered to within Reading Councils housing stock.

If there are any works required to communal areas, the appropriate consultation will be carried out and the cost apportioned and charged to the leaseholder.

If a new front door is required as part of the fire safety works, we would offer for Reading Borough Council trade operatives to do this work at cost price and invoice the service user accordingly. If required the Service users will have the facility to pay by instalments for a maximum period of 1 year interest free.

Sublet properties will not be offered the instalment option.

36. DEED OF POSTPONEMENT

The service user has to put a request into the Homeownership Team. This request will then be passed to the Council's legal services team for approval.

If the request is agreed there will be a fixed charge at the current rate plus VAT to the service user.

37. REVIEW OF POLICY

This policy will be reviewed at least every two years or sooner to reflect any changed in the law, legislation, corporate requirements or targets.

Service Users will be consulted on any proposed changes to this policy. We will use customer feedback to inform reviews and recommend changes to this policy document at any time.

Appendix 7e - Housing Debt Write-Off Policy

Policy Overview

Introduction	<p>This policy confirms the Council's 'Write Off' Policy that outlines the approach to outstanding Housing related debts.</p> <p>This is not to be confused with 'writing off' 'bad debts' from the financial accounts for the purpose of Bad Debt Provision.</p> <p>The policy described here takes into account legislation and Reading Borough Council Policies.</p>
Policy aims	<p>The main aims of the Council's Housing Debt related Write Off Policy are to outline:</p> <ul style="list-style-type: none">• what can be written off• who has the authority to write off, and• whether writing off against financial accounts clears the debt against the authority.
Write off submissions	<p>All requests to write off are submitted by the Income Recovery Team to the Head of Finance and the Income Management Manager or his/her delegated representative. There are no exceptions.</p>
Former and Chargeable Repairs	<p>Former Tenant Arrears or chargeable repair debt will be submitted for write off:</p> <ul style="list-style-type: none">• if the debt is under £10 and there isn't a credit on another account,• where a full and final settlement has been accepted and paid, to clear the remaining balance,• the debtor is untraceable,• where the debtor is deceased and no executor or NOK is known,• the debtor is deceased and there is no estate,• all avenues of recovery have been exhausted and proved negative,• it is not cost effective to pursue the debt further,• If the debt(s) are included in a Debt Relief Order or Bankruptcy proceedings <p>All other debts will be pursued as per the Former tenant arrears and Chargeable repairs policies.</p> <p>If housing debts have been written off of our financial accounts as they fall into one of the criteria listed above but subsequently we are aware of the debtors whereabouts or a change in their circumstances the debt(s) will be reversed and the debtor pursued accordingly. The exception to this rule is the full and final settlement.</p>

Current Tenants

Current arrears

Arrears will not be written off a **current tenant's** account. The only exception to this is:

Debt Relief Order: where the tenant lists the current arrears in a Debt Relief Order. As a landlord we can object to this on the basis of the tenant(s) inability to pay towards the debt means that he/she cannot comply with any order that the courts may make. At this point, as an alternative to possession proceedings we will try and reach a repayment arrangement with the tenant to clear the debt. If this proves negative we will apply for possession, although we would not be able to seek a money judgment order for the debt included in the DRO therefore if a repayment arrangement could not be reached for this debt, and payments were not made it would be considered for write off.

For clarification, rent arrears included in a bankruptcy petition will not be written off - see below:

Bankruptcy: Where current arrears are listed in a Bankruptcy petition. This does not affect our right to regain possession of the tenant(s) property where the tenancy agreement has been breached.

In these cases, we will liaise with the tenant(s) to agree an affordable arrangement to pay the arrears as an alternative to us making an application for possession of the property.

The trustee in the bankruptcy would not normally intervene in this arrangement provided the amounts paid towards the rent arrears did not compromise the ability of the bankrupt tenant to contribute to an income payment order. It would not be beneficial for any parties involved for the bankrupt tenant to be made homeless.

Whilst the debt included in the bankruptcy petition is released on discharge this would not affect our position regarding the ability to apply for possession of the property on the grounds for rent arrears even if those arrears were a debt included in the bankruptcy petition.

If a tenant wishes to avoid enforcement of a suspended possession order, he must fulfill the conditions of the Suspended order and pay the instalments ordered by the court to clear the arrears and costs despite the bankruptcy order.

Reference: For further details please see the sub-topic ***Bankrupt tenants*** presented subsequently in this Topic.

Current tenants with former tenant arrears Or chargeable repairs debt

Where a current tenant has former tenant arrears or outstanding rechargeable repairs debt(s) we will pursue according to the Former Tenant Arrears Recovery Policy and/or Chargeable Repairs policy.

We will submit cases for write off according to the rules in this policy.

Leaseholders For any Leaseholders or shared owners, solely or jointly, mortgaged or otherwise, who have submitted a bankruptcy petition or one made against them, their interest in the property will form part of their estate which will be dealt with by the trustee. Therefore no arrears of service charges, major works or otherwise will need to be written off as once their property has been sold the proceedings from this must be used to pay off these debts before any others including the mortgage lender. This may take a maximum of 3 years.

Appendix 8 - Parking and Bus Lane Penalty Charge Notices

Introduction

1. Reading Borough Council introduced Parking Enforcement in 2000, when responsibility for enforcement of parking contraventions passed from Thames Valley Police to the Local Authority. The current legislation that allows for Reading to enforce parking and waiting restrictions is under The Traffic Management Act 2004. This also permitted local authorities to enforce restrictions by other methods which are now known as 'Civil Parking Enforcement'. Parking offences are classified as civil offences rather than criminal offences under Civil Parking Enforcement.
2. Reading Borough Council has an integrated Parking Service, which manages both on-street and off-street activities. The Council introduced Civil Parking Enforcement under Part 6 of the Traffic Management Act 2004 from 31st March 2008.
3. In October 2005, powers were introduced under the Transport Act 2000 that made it possible for Reading Borough Council to enforce the regulations governing the use of bus lanes in the Borough.
4. Where a motorist contravenes either a parking or bus lane restrictions, a Penalty Charge Notice (PCN) is issued. Under the relevant legislation it is normally the DVLA registered keeper who is liable for the PCN, the exceptions to this are the vehicle was on hire or the vehicle had been sold/bought after/before the contravention. This person will be sent the notices and pursued if the PCN remains unpaid. For further information on the statutory processes, please visit www.PATROL-UK.info

Policy Aims

5. The Recovery policy will ensure that:
 - The Council will collect and recover all unpaid PCNs in an economic, effective and efficient manner in accordance with legislation and best practice.
 - All debtors are treated fairly and objectively.
 - Action taken will be fair and open, no-one will receive less favourable treatment because of their race, nationality, colour, ethnic or national origin, religious belief, gender, marital status, sexual orientation, age or disability.

Policy

6. The Council will collect and recover all unpaid PCNS in an economic, effective and efficient manner in accordance with legislation and best practice.
 - All notices will be issued in accordance with regulations.
 - A warrant of control at the Traffic Enforcement Centre, in Northampton County Court, will be issued if full payment has not been made in accordance with the previously issued notices. Enforcement Agents will be instructed to collect the unpaid PCN.
 - Enforcement Agents contracted by the Council will be required to comply with the Enforcement Agent Code of Practice, Service Level Agreement(s) and the Tribunals, Courts and Enforcement Act 2007 and any other prevailing legislation at all times.

Bus Lane Enforcement

- The Penalty Charge Notice will be sent to the registered keeper of the vehicle; at this point you can either:
 - Pay the discount within 14 days (£30).
 - If the discount is not paid in the 14 days, pay the full charge within 28 days (£60).
 - Make representation to Reading Borough Council.
- After 28 days of the date of issue of the Penalty Charge Notice
 - A Charge Certificate may be sent to the registered keeper of the vehicle, notifying the keeper that the charge has been increased by 50% (£90). If you receive a Charge Certificate you must pay within 14 days. There is no right to appeal at this stage.
- After 14 days of the date of issue of the Charge Certificate
 - If the Charge Certificate is not paid within 14 days, the debt will be registered at the Traffic Enforcement Centre and a registration fee of £8.00 will be added to the charge (£98). An Order for Recovery will be sent to the registered keeper of the vehicle.
 - If you receive an Order for Recovery you must either pay the outstanding charge within 21 days or file a statutory declaration.
- After 21 days after the Debt Registration
 - If the charge has not been paid or a statutory declaration has not been made, the Traffic Enforcement Centre will grant authority for a Warrant to be issued and a certificated Enforcement Agent (formerly known as bailiffs) will be requested to recover the debt from you. The Enforcement Agent will charge you for this.

Traffic Management Act 2004 Statutory Process - Direct Issue Process

The following process applies where the Civil Enforcement Officer has directly issued the Penalty Charge Notice to the vehicle or handed it to the driver. Please see section below for information about the process involved when the Penalty Charge Notice is sent by post.

- After 14 days of the date of issue of the Penalty Charge Notice
 - The right to pay the discounted sum (£35/£25) after 14 days is lost. The 14 days starts with the date on which the Penalty Charge Notice was issued.
- After 28 days of the date of issue of the Penalty Charge Notice
 - If the charge is not paid 28 days from the date the Penalty Charge Notice was issued a Notice to Owner will be sent to the registered keeper of the vehicle.
 - At this point you can either pay the full charge within 28 days (£70/£50) or make representation to Reading Borough Council.
 - Failure to act on the Notice to Owner may result in a Charge Certificate being issued.
- After 28 days of the date of issue of the Notice to Owner
 - A Charge Certificate may be sent to the registered keeper of the vehicle, notifying the keeper that the charge has been increased by 50% (£105/£75). If you receive a Charge Certificate you must pay within 14 days. There is no right to appeal at this stage.
- After 14 days of the date of issue of the Charge Certificate

- If the Charge Certificate is not paid within 14 days, the debt may be registered at the Traffic Enforcement Centre and a registration fee of £8.00 will be added to the charge (£113/£83). An Order for Recovery will be sent to the registered keeper of the vehicle.
- If you receive an Order for Recovery you must either pay the outstanding charge within 21 days or file a witness statement.
- After 21 days after the Debt Registration
 - If the charge has not been paid or a witness statement has not been made, the Traffic Enforcement Centre will grant authority for a Warrant to be issued and a certificated enforcement agent will be requested to recover the debt from you. The enforcement agent will charge you for this.

Traffic Management Act 2004 Statutory Process - Postal Issue Process

The following process applies where the Penalty Charge Notice has been issued by post. This occurs in circumstances where the Civil Enforcement Officer was prevented from issuing the Penalty Charge Notice at the time, or the vehicle drove away before affixing it to the vehicle/handing it to the driver. A Penalty Charge Notice may also be issued by post from an approved device i.e. a camera recording.

- The Penalty Charge Notice will be sent to the registered keeper of the vehicle; at this point you can either:
 - Pay the discount within 14 days (£35/£25) or 21 days if the contravention was detected by an approved device.
 - If the discount is not paid in the 14/21 days, pay the full charge within 28 days (£70/£50).
 - Make representation to Reading Borough Council.
- After 28 days of the date of issue of the Penalty Charge Notice
 - A Charge Certificate may be sent to the registered keeper of the vehicle, notifying the keeper that the charge has been increased by 50% (£105/£75). If you receive a Charge Certificate you must pay within 14 days. There is no right to appeal at this stage.
- After 14 days of the date of issue of the Charge Certificate
 - If the Charge Certificate is not paid within 14 days, the debt may be registered at the Traffic Enforcement Centre and a registration fee of £8.00 will be added to the charge (£113/£83). An Order for Recovery will be sent to the registered keeper of the vehicle.
 - If you receive an Order for Recovery you must either pay the outstanding charge within 21 days or file a witness statement.
- After 21 days after the Debt Registration
 - If the charge has not been paid or a witness statement has not been made, the Traffic Enforcement Centre will grant authority for a Warrant to be issued and a certificated Enforcement Agent (formerly known as bailiffs) will be requested to recover the debt from you. The Enforcement Agent will charge you for this.