



**CORPORATE DEBT RECOVERY POLICY**

## CONTENTS

	<b>Page</b>
1. Introduction	3
2. Aims and Objectives	3-4
3. Scope	4
4. General Principles	4-6
5. Bankruptcy/Liquidation	6
6. Hierarchy of Debt	6
7. Offset of credit against debt	7
8. Refunds	7
9. Write offs	7
10. Review of Policy	7
11. Appendices list	7
Appendix 1 Rent	
Appendix 2 Council Tax including Water and Waste Water	
Appendix 3 Non-Domestic Rates	
Appendix 4 Housing Benefit Overpayments	
Appendix 5 Discretionary Housing Payments	
Appendix 6 Former Tenancy Arrears	
Appendix 7 Legal expenses - Rent	
Appendix 8 Penalty Charge Notices	
Appendix 9 Bus Lanes	
Appendix 10 Service Income	
Appendix 11 Business Improvement District	
Appendix 12 References	

## **ABERDEEN CITY COUNCIL**

### **Corporate Debt Recovery Policy**

#### **1. INTRODUCTION**

1.1 This document details the Council's policies on Corporate Debt Recovery of monies due to the Council.

1.2 This Policy sets out the general principles to be applied in relation to income collection and corporate debt recovery management across all services provided by the Council. The Council collects income from various streams; some of this activity is governed by legislation and others by sound principles of financial management.

1.3 The policy will apply to all Council Services and seeks to be fair but firm; it is essential that all monies due are collected effectively by the Council, and that debt owed to the Council is kept to a minimum. This is because the Council has both a legal duty and a responsibility to its' customers to ensure that income due is received promptly, and to allow for the re-investment of our income in Council Services.

1.4 Sums due to the Council can be a mixture of statutory and non-statutory charges. The methods for billing, collection and recovery of the statutory debts are tightly prescribed by statute. Our recovery practices take account of this diversity.

1.5 An effective debt management process is critical to the delivery of the Council objectives. This policy will be underpinned by the creation and maintenance of a clear framework setting out a consistent and sensitive approach to collecting debt, whilst at the same time ensuring the Council continues to maximise collection performance. A full range of recovery methods will be used as appropriate if debts are not paid.

1.6 It is inevitable that the Council will be required to pursue the recovery of debts from people and or businesses experiencing difficulty in paying such accounts. An agreed policy of how the Council manages and collects debts is therefore essential to ensuring consistency and best practice in such situations.

1.7 A customer may appeal against any decision on liability only, and must continue to pay the amount due without prejudice pending a decision.

#### **2. AIMS AND OBJECTIVES**

2.1 The aim is to maximise income collection to Aberdeen City Council and to minimise the cost of collection, while maintaining and improving the customer experience through collection and recovery.

2.2 The objectives of the integrated income collection and corporate debt recovery policy in achieving that aim are to:

- (a) Bill, collect and recover charges in an economic, effective and efficient manner that meets with legislation.
- (b) Encourage people to pay regularly; using the most cost-effective method.
- (c) Promote early personal contact across all income streams, recognising the need to prevent debts escalating.

(d) Identify, where appropriate, support which may be required to those owing money to the Council, and ensure individual circumstances are taken into consideration promoting income maximisation.

(e) Facilitate a co-ordinated approach to managing multiple debts owed to the Council, including a single assessment of the ability to pay, where required.

(f) Standardise the approach to debt collection to ensure consistency of approach whilst complying with relevant legal frameworks applying to the different categories of debt.

(g) Seek satisfactory arrangements for payment of debts at all stages of recovery. Where this cannot be achieved; we will take recovery action using the appropriate legal remedies.

(h) Apply best practice to debt collection, to ensure all debtors are treated fairly and objectively.

(i) Have regard to the requirements of client services within the Council including the need to protect vulnerable people and sustain persons in their homes taking account of Council Policies in relation to poverty.

(j) The Council will educate customers on the impacts of both Universal Credit and wider Welfare Reform.

(k) The Council aims to promote equality of opportunity and tackle discrimination.

### **3. SCOPE**

3.1 The policy applies to the collection and debt recovery of all income streams including:

- Rent
- Council Tax including Water and Waste Water
- Non-Domestic Rates
- Housing Benefit Overpayments
- Discretionary Housing Payments
- Former Tenancy Arrears
- Legal Expenses - Rent
- Penalty Charge Notices
- Bus Lanes
- Service Income
- Business Improvement District

3.2 There are specific procedures and legislation which govern the recovery and collection of specific debts. While section 4 below sets out shared, general principles, Appendices 1 - 11 set out the process for collection for each income stream in accordance with the relevant procedures and legislation.

### **4. GENERAL PRINCIPLES**

4.1 Aberdeen City Council's plan, will be followed in implementing this policy, '***A place where all people can prosper***' as detailed below.

"The 10-year plan aims to break the cycle of deprivation which exists for some communities in Aberdeen to create a cycle of prosperity through the delivery of four priorities for partnership working.

- Aberdeen prospers
- Children are our future

- People are resilient, included and supported when in need
- Empowered, resilient and sustainable communities”

4.2 Ensure all customers receive fair and equal treatment regardless of disability, gender, age, race, ethnic or national origin, religious belief, marital status or sexual orientation.

4.3 Ensure that customers are advised of the amounts due and the date(s) by which they should be paid at the earliest opportunity and in a clear and concise fashion.

4.4 Provide information on how to get assistance on every bill or invoice that is issued to afford customers the opportunity to address any potential concerns at the earliest opportunity.

4.5 Where non-payment will/may lead to customer incurring additional charges the customer will be notified.

4.6 When dealing with Income Collection and Debt Recovery, the Council will follow the principles outlined below:

(a) Our action will be proportionate to the amount and frequency of the debt.

(b) Our approach will be consistent and transparent.

(c) We will be firm and fair with each customer.

(d) Our manner will be courteous.

(e) We will encourage the customer to make early contact in respect of debt related matters.

(f) We will take the current economic climate and individual financial circumstances into account.

(g) We will write in plain English.

(h) We will provide assistance for people who have language or sensory communication difficulties.

(i) We provide appropriate support to any customer who requires further assistance.

(j) Where disputes arise, these will be investigated fairly and timeously with outcomes explained.

(k) We will respect and protect the customer’s rights throughout the process.

4.7 We will resolve debt problems pro-actively at the earliest opportunity to help customers to maximise their income and alleviate financial hardship.

4.8 We will take a firm but fair approach to recovery and enforcement, offering help and support to all customers experiencing financial difficulties at each stage of the collection and recovery process.

4.9 Wherever possible, we will seek solutions, so the customer is better able to manage their finances and meet future liabilities. We will provide benefit and debt advice where appropriate, and thereafter, if necessary refer the customer to third parties for specialist Money Advice, such as Aberdeen City Council, Financial Inclusion Team, Shelter and Citizens Advice Bureau.

4.10 There may be instances where court action will be taken against the debtor specific to each income stream in terms of legislation.

For Council owned properties, court action may also include eviction proceedings. If necessary the Council will refer the customer to third parties for specialist advice, such as Shelter.

4.11 Aberdeen City Council may appoint Debt Collection and Sheriff Officer Service to assist in recovering outstanding debt where it has been unable to enter into any repayment schedule with the customer. This will be carried out in compliance within the procedure and legislation covering each debt stream.

## **5. BANKRUPTCY/LIQUIDATION**

5.1 In certain circumstances, and if sufficient assets exist to meet the outstanding debt the Council will petition for Bankruptcy or Liquidation. This is usually to be utilised as a last resort, where other methods of recovery are considered inappropriate or have failed.

## **6. HIERARCHY OF DEBT**

6.1 In the first instance an agreement will be sought from the customer to maintain current/future payments for liabilities.

6.2 Where arrears have accrued for more than one income stream then one affordable arrangement will be sought, in the following order:

- Rent
- Council Tax including Water and Waste Water
- Non-Domestic Rates
- Housing Benefit Overpayments
- Discretionary Housing Payments
- Former Tenancy Arrears
- Legal Expenses - Rent
- Penalty Charge Notices
- Bus Lanes
- Service Income
- Business Improvement District

6.3 For Council house tenants, the aim is to support and maintain their tenancy, by prioritisation of rent payments while at the same time allowing other Council debts to be reduced.

6.4 The above hierarchy of debt may be varied depending on the amount of debt for each income stream and where Aberdeen City Council considers the repayments could be more fairly apportioned, as agreed with the customer.

6.5 Where a payment arrangement is in place and only partially paid, Rent and Council Tax will take priority over other debt types.

6.6 Where the payment arrangement is not maintained and where re-negotiation has failed, then Aberdeen City Council will pursue each debt using the recovery methods, procedures and legislation applicable to that income stream.

6.7 If at any stage, the customer enters in to a new payment arrangement with the Council the recovery process will be suspended, but any statutory penalties already applied will remain.

6.8 Housing Benefit overpayments will be recovered in accordance with the relevant statutory provisions operated by the Department for Work and Pensions (DWP).

## **7. OFFSET OF CREDIT AGAINST DEBT**

7.1 The Council will adopt a corporate approach to refunding credits or making payments, in that wherever possible checks will be made for other outstanding debts due to the Council, prior to a refund or payment being made.

7.2 Where these checks identify outstanding debts, we will write to the customer stating that the credit will be offset against debt, unless they object within 7 days.

## **8. REFUNDS**

8.1 Where a customer continues to pay an arrangement which has been paid in full, and no other Council debt is identified, they will receive a refund.

8.2 Refunds will normally be paid by BACS transfer or exceptionally by cheque.

## **9. WRITE OFFS**

9.1 The writing off-of debts should be followed in accordance with the Council's Financial Regulations guidelines and procedures.

9.2 A balance should be struck between protecting the Council's Financial position and ensuring writing off-of debts are in exceptional cases and kept to a minimum.

## **10. REVIEW OF POLICY**

10.1 The Corporate Debt policy will be reviewed in the light of any legislative changes, trends or other factors that impact on the effectiveness of the policy.

10.2 Where there are no changes that would trigger a review it is intended that this be reviewed every two years as a minimum.

## **11. APPENDICES**

11.1 The following appendices highlight collection and recovery methods applicable to the individual income streams which are not already covered in the main Corporate Debt Policy.

- Appendix 1 Rent
- Appendix 2 Council Tax (including Water and Waste Water)
- Appendix 3 Non-Domestic Rates
- Appendix 4 Housing Benefit Overpayments
- Appendix 5 Discretionary Housing Payments
- Appendix 6 Former Tenancy Arrears
- Appendix 7 Legal Expenses - Rent
- Appendix 8 Penalty Charge Notices
- Appendix 9 Bus Lanes
- Appendix 10 Service Income
- Appendix 11 Business Improvement District
- Appendix 12 References

## **RENT**

### **1. INTRODUCTION**

1.1 Aberdeen City Council has a housing stock and levies rentals and other housing charges.

1.2 There is a legal duty placed on the Council and its Officers to administer the management of the Council's Housing stock in accordance with the Housing Scotland Act 2010.

1.3 The Council will support tenants to sustain their tenancy and prevent home loss due to rent arrears. The Council will seek to adopt best practice e.g. through the use of Pre-Action Requirements Service Standards.

1.4 The Council will use eviction as a last resort and prevent homelessness through support and advice.

1.5 The Council will ensure any person who has been either threatened with eviction or evicted for rent arrears is advised of any statutory obligations the Council has towards them in terms of homelessness and receives a Housing Options interview in line with the Council's homeless prevention strategy.

1.6 Legal action will be taken to recover the property if a tenant fails to pay rent or agree and maintain a suitable repayment plan. All evictions will be approved by an Eviction Panel.

1.7 This Policy applies to Council tenants with a Scottish Secure Tenancy.

### **2. COLLECTION**

2.1 Aberdeen City Council will bill and collect Council House Rents and other charges in accordance with policy and legislation.

2.2 Council rents are debited weekly. Tenants can make payments either weekly, fortnightly, 4-weekly or monthly in advance. Direct Debit is the preferred method of payment.

2.3 If the tenant is in receipt of Housing Benefit, then rental payments are credited for the week ahead. If the tenant is in receipt of housing costs through Universal Credit these are payable by DWP monthly in arrears.

### **3. RECOVERY**

3.1 If a tenant has outstanding rental debt; the Council will carry out early intervention and follow the rent procedure ensuring that the tenant has ample opportunity to sustain their tenancy.

3.2 A first intervention task can generate when the outstanding rental debt has reached £150.

3.3 A second intervention task can generate when the outstanding rental debt has reached £250.

3.4 A third intervention task can generate when the outstanding rental debt has reached £400.

3.5 A Notice of Proceedings letter can be issued when the outstanding rental debt has reached £500 and all other recovery avenues have failed.

3.6 A customer can contact Aberdeen City Council, to make a payment arrangement to pay any balance or to query any aspect of the rental charge or debt.



3.7 Aberdeen City Council will seek 3<sup>rd</sup> party direct deductions from Department of Work and Pensions from the debtors' relevant welfare benefits to pay for outstanding rental charge where the conditions are met, and a voluntary repayment plan has failed.

## Appendix 2

### **COUNCIL TAX (including Water and Waste Water)**

#### **1. INTRODUCTION**

1.1 Council Tax is a tax levied on all eligible domestic dwellings. 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.

1.2 Water and Waste Water charge is set by Scottish Water each financial year.

1.3 The full rate of Council Tax including Water and Waste Water is liable to be paid unless the property, owner or occupier is eligible for a reduction or exemption.

1.4 Council Tax including Water and Waste Water is 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) (Scotland) Regulations 1992.

#### **2. COLLECTION**

2.1 Aberdeen City Council will bill and collect Council Tax including Water and Waste Water purposes in accordance with legislation.

2.2 A Council Tax bill is the first step towards collecting monies due to the Council.

2.3 The Bill itemises the Authority Charge (Council Tax Charge), Banding, Water Charge, Waste Water Charge, Amount due, the instalments due date and the payment method, with any reductions.

2.4 Payment instalments are due on or before 1<sup>st</sup> of the month, unless customer chooses to pay by Direct Debit when the available dates are either 5<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup> or 28<sup>th</sup> of the month.

2.5 Bills and revised notices will be issued in accordance with the applicable legislation.

#### **3. RECOVERY**

3.1 Aberdeen City Council will recover all outstanding Council Tax including Water and Waste Water debts in accordance with legislation.

3.2 Where an instalment has not been paid on or before 1<sup>st</sup> of the month, a reminder notice shall be issued after the payment instalment due date.

3.3 A reminder is sent to each liable person requesting that if they wish to continue paying by instalments they must arrange for the overdue amount to be paid within 7 days from date of issue of the reminder.

Where the overdue amount is not paid, the total amount outstanding must be paid within 14 days of issue of the reminder.

The reminder notice advises that if the total amount outstanding in full is not paid or a payment arrangement made, an application will be made to the Sheriff Court for a Summary Warrant. Once this is granted 10% is immediately added to any outstanding balance.

If the account is brought in line with instalments and falls in arrears a second time, reminders will be issued again although no more than 2 reminders are issued within the same financial year.

3.4 Final notices are issued for terminated accounts for current financial year or terminated previous years with outstanding debt.

A final notice is sent to each liable person requesting that the total outstanding must be paid in full within 14 days of the issue date.

The final notice advises that if the total amount outstanding in full is not paid or a payment arrangement made, an application will be made to the Sheriff Court for a Summary Warrant. Once this is granted 10% is immediately added to any outstanding balance.

3.5 The amount due in terms of the Summary Warrant granted is then passed to the Council's Debt Collection and Sheriff Officer agent. If payment remains outstanding, recovery can be enforced by one of the relevant diligences

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings
- Inhibition Order
- Bankruptcy (sequestration)
- Attachment of Goods

3.6 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

3.7 Aberdeen City Council will seek 3<sup>rd</sup> party direct deductions from Department of Work and Pensions from the debtors' relevant welfare benefits to pay for outstanding Council Tax including Water and Waste Water debt.

## Appendix 3

### **NON-DOMESTIC RATES**

#### **1.0 INTRODUCTION**

1.1 Non-Domestic Rates is a tax levied on business properties which Aberdeen City Council statutorily administers on behalf of the Scottish Government.

1.2 Non-Domestic Rates will be administered and collected in accordance with the applicable legislation.

#### **2. COLLECTION**

2.1 Non-Domestic Rates bills 'demand note' are issued annually in April in accordance with legislation

2.2 Non-Domestic Rates bills, contain the liable occupier, rates poundage, any reliefs, total rates due, instalment amounts and payment method.

2.3 Revised Bills are issued weekly in accordance with the applicable legislation.

#### **3. RECOVERY**

3.1 Non-Domestic Rates are payable by 10 instalments and where the equivalent of 5 instalments have not been paid by 30 September, the right to pay by instalments is lost and the balance outstanding becomes payable

3.2 If at any time after 30 September, any ratepayer is in arrears of more than 2 monthly instalments, the balance becomes payable immediately.

3.3 Reminders are issued once a year in August for the current year's charge, as the customer should have paid 4 instalments. Payment arrangements are not made but the customer is advised they should bring their instalments up to date and then continue to pay monthly.

3.4 Final Notices are issued for current year accounts, if two or more instalments remain outstanding on or after 30 September, the amount becomes payable within 14 days and the customer loses the right to pay by instalments.

3.5 Where accounts are terminated, and the customer has not paid in accordance with the bill, a final notice is issued advising that full payment is due immediately.

3.6 If a Final Notice is not paid in full by the due date the Council will apply for a Summary Warrant at Aberdeen City Sheriff Court. Once granted a 10% statutory penalty is added to the outstanding balance.

3.7 The amount due in terms of the Summary Warrant granted is then passed to the Council's Debt Collection and Sheriff Officer agent. If payment remains outstanding, recovery can be enforced by one of the relevant diligences

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings
- Money attachments
- Inhibition Order
- Insolvency
- Attachment of Goods

3.8 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

## **HOUSING BENEFIT OVERPAYMENT**

### **1. INTRODUCTION**

1.1 Aberdeen City Council is responsible for the administration of Housing Benefit in terms of the Housing Benefit Regulations.

1.2 The Council is committed to protecting public funds and will take all possible steps to recover overpayments of these benefits.

1.3 Customers are both required and encouraged to prevent overpayments occurring by notifying the Council as soon as possible of any changes that may affect the amount of benefit that they are entitled to.

### **2. COLLECTION**

2.1 Where it has been identified that a claimant of Housing Benefit has been overpaid, and the overpayment is recoverable in accordance with the relevant statutory provisions, Aberdeen City Council will consider on a case by case basis whether it is reasonable to recover the overpayment, from whom it can be recovered and the appropriate means of recovery.

2.2 A Housing Benefit notification letter is issued advising of the overpayment and how it has been created.

2.3 Invoices are issued 28 days after the date of the Housing Benefit notification letter.

### **3. RECOVERY**

3.1 Aberdeen City Council will recover all outstanding Housing Benefit Overpayments in accordance with legislation.

3.2 Where Housing Benefit is still in payment direct deductions will be made from on-going entitlement to Housing Benefit. Maximum rates are set by the Department of Work and Pensions (DWP) however, Aberdeen City Council may make lower set deductions based on claimant's income, the exception to this being fraudulent overpayments which are recovered at the DWP recommended rate.

3.3 Where direct deductions are not being made from ongoing Housing Benefit and the Housing Benefit Overpayment has not been paid or a payment arrangement made, a reminder is issued. The reminder advises that they must arrange for the outstanding amount to be paid within 7 days from the date of issue of the reminder.

3.4 Where the overdue amount is not paid, or a payment arrangement made, a final reminder is issued.

The final reminder advises that if the total amount outstanding is not paid in full or a payment arrangement made within 7 days from the date of issue of the final reminder, the debt will be passed to the Council's debt collection and Sheriff Officer agent.

3.5 The overdue amount is then passed to the Council's debt collection and Sheriff Officer agent. If payment remains outstanding, recovery can be enforced by one of the relevant diligences.

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings

- Attachment of goods

3.6 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

## **DISCRETIONARY HOUSING PAYMENT**

### **1. INTRODUCTION**

1.1 Aberdeen City Council is responsible for the administration of Discretionary Housing Payments (DHP).

1.2 DHP is an additional sum of money that can be paid if in receipt of housing benefit and additional help is required to meet housing costs.

1.3 DHP is administered and recovered in accordance with the relevant statutory legislation; The Discretionary Financial Assistance Regulations 2001.

### **2. COLLECTION**

2.1 Where it has been identified that a DHP has been overpaid, and the overpayment is recoverable in accordance with the relevant statutory provisions,

2.2 A Housing Benefit notification letter is issued advising of the overpayment and how it has been created.

2.3 Invoices are issued 28 days after the date of the Housing Benefit notification letter.

### **3. RECOVERY**

3.1 Aberdeen City Council will recover all outstanding DHP Overpayments in accordance with legislation.

3.2 Where the DHP Overpayment has not been paid or a payment arrangement made, a reminder is issued. The reminder advises that they must arrange for the outstanding amount to be paid within 7 days from the date of issue of the reminder.

3.3 Where the overdue amount is not paid, or an arrangement made a final reminder is issued.

The final reminder advises that if the total amount outstanding is not paid in full or a payment arrangement made within 7 days from the date of issue of the reminder, the debt will be passed to the Council's Debt Collection and Sheriff Officer agent.

3.4 The overdue amount is then passed to the Council's debt collection and Sheriff Officer agent. If payment remains outstanding, recovery can be enforced by one of the relevant diligences.

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings
- Attachment of goods

3.5 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.



## Appendix 6

### **FORMER TENANCY ARREARS**

#### **1.INTRODUCTION**

1.1 Aberdeen City Council are responsible for pursuing rental debts where a tenancy has ended, and the account is not cleared.

1.2 The Council manage a Former Tenancy Arrears recovery escalation process.

1.3 The Council will comply with legislative requirements for pursuing former tenancy arrears.

#### **2. COLLECTION**

2.1 Aberdeen City Council will actively pursue all former tenancy debts where it is economically viable to do so.

2.2 Aberdeen City Council will use all means available to trace former tenancy debtors and collect these debts as due, including the use of our external Sheriff Officer partners Scott & Co.

2.3 Where collection attempts are unsuccessful, the debt may be written-off under the terms of Aberdeen City Council's Rents Write-Off Procedures.

#### **3. RECOVERY**

3.1 The Former Tenancy Arrears recovery escalation process will commence where the debt is greater than £25.00.

3.2 There are 3 intervention steps, each requiring to make contact with the debtor to discuss repaying the debt.

3.3 Where these 3 intervention steps fail to engage the former tenant and the debt remains unpaid, accounts can be referred to the Council's Debt Collection and Sheriff Officer agents to collect.

3.4 A customer can contact Aberdeen City Council, to make a payment arrangement to pay any balance or to query any aspect of the rental charge or debt.

## Appendix 7

### **LEGAL EXPENSES - RENT**

#### **1. INTRODUCTION**

1.1 Where Aberdeen City Council as the landlord lodge a rent arrears case into Court for a repossession action, legal expenses can be awarded by the Court. These expenses are billed against the debtor/tenant, authorising the Council to pursue them for that debt.

1.2 Aberdeen City Council only seek the lodging fee and any associated Sheriff Officer fees from the Court in order to minimise the financial impact upon the tenant of having to lodge the case.

1.3 The Council will help tenants to sustain their tenancy and prevent home loss by prioritising any on-going rent charges above the repayment of legal expenses.

#### **2. COLLECTION**

2.1 Aberdeen City Council refer all new legal expenses awards to Council's Debt Collection and Sheriff Officer agents to collect.

2.2 The Council operates a legal expenses recovery escalation process for debts not held by Debt Collection and Sheriff Officers.

#### **3. RECOVERY**

3.1 For legal expenses, debts not with Debt Collection and Sheriff Officers, there are 3 intervention steps, each requiring the responsible officer to make contact with the debtor to discuss repaying the debt.

3.2 A customer can contact Aberdeen City Council, to make a payment arrangement to pay any balance or to query any aspect of the legal expenses charge or debt.

## **PENALTY CHARGE NOTICES**

### **1. INTRODUCTION**

1.1 Penalty Charge Notices are served when a contravention of the parking rules in terms of legislation has been committed.

1.2 Aberdeen City Council have powers under The Road Traffic (Permitted Parking Area and Special Parking Area) (Aberdeen City Council) Designation Order 2003, Road Traffic Regulation Act 1984 and The Removal and Disposal of Vehicles Amendment (Scotland) Regulations 2002.

### **2. COLLECTION**

2.1 A Penalty Charge Notice is due for the full value; however, a 50% discount will be accepted if full payment is received within 14 days of issue.

2.2 Where the discounted amount is received after the 14-day period has expired this is considered as part-payment and the balance will remain due.

2.3 Thereafter, if full payment is received within 28 days of issue, the case is closed.

2.4 Informal representation can be made against a Penalty Charge Notice by contacting the Council within 28 days of receipt of the Penalty Charge Notice being applied to the vehicle.

2.5 Where informal representation is made against a Penalty Charge Notice, then the amount due on the day the appeal is received is frozen until the outcome of the appeal.

### **3. RECOVERY**

3.1 If full payment is not received a 'Notice to Owner' is sent to the registered keeper of the vehicle at the time of the alleged contravention, according to DVLA records. When in receipt of a 'Notice to Owner', payment or representations can be made by the registered keeper.

3.2 Where representation is unsuccessful a Notice of Rejection is issued, the penalty must be paid, or an appeal made to the Independent Parking Adjudicator within 28 days.

3.3 Where payment remains outstanding 28 days after a Notice to Owner has been issued, or after an appeal or representation has been refused, the Council may issue a Charge Certificate increasing the penalty by a further 50% of the original charge.

3.4 After a Charge Certificate has been issued and remains unpaid, it may be passed to the Council's Debt Collection and Sheriff Officers for recovery, which can be enforced by one of the relevant diligences.

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings
- Inhibition Order
- Insolvency
- Attachment of Vehicles

3.5 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

## **BUS LANES**

### **1. INTRODUCTION**

1.1 Bus Lane Charge Notices are served when a contravention of the bus lane rules in terms of legislation has been committed.

1.2 Aberdeen City Council have powers under The Bus Lane Contraventions (Charges, Adjudication and Enforcement) (Scotland) Regulations 2011.

1.3 The Bus Lane Enforcement Charge Notice is sent to the registered keeper of the vehicle according to Driving and Vehicle Licence Agency (DVLA) records.

1.4 Representation can be made within 28 days of receipt of the Bus Lane Enforcement Charge Notice to the Council against one of twelve statutory grounds of appeal.

### **2. COLLECTION**

2.1 A Bus Lane Charge Notice is due for the full value; however, an early payment discount of 50% is offered where a Charge Notice is accepted and paid within 14 days.

2.2 Where the discounted amount is received after the 14-day period has expired this is considered as part-payment and the balance will remain due.

2.3 Thereafter, if full payment is received within 28 days of issue, the case is closed.

2.4 Where representation is unsuccessful then a Notice of Rejection is issued, and the full amount is due. The Penalty must be paid, or an appeal made to the Independent Parking Adjudicator within 28 days.

### **3. RECOVERY**

3.1 If full payment is not received and no representation is made within 28 days then a Charge Certificate is sent to the registered keeper of the vehicle at the time of the alleged contravention, according to DVLA records.

3.2 After a Charge Certificate has been issued and remains unpaid, it may be passed to the Council's Debt Collection and Sheriff Officers for recovery, which can be enforced by one of the relevant diligences.

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings
- Inhibition Order
- Insolvency
- Attachment of Vehicles

3.3 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

## **SERVICE INCOME**

### **1. INTRODUCTION**

1.1 Aberdeen City Council is responsible for collection of charges levied by invoice for services provided.

1.2 The responsibility for charging and invoicing lies with each Service imposing the charge.

1.3 Customers who receive on-going services from the council may have these services suspended or withdrawn if they have unpaid invoices. This decision will be made by the individual Services.

1.4 Where a debt is in dispute, responsibility remains with the Service.

### **2. COLLECTION**

2.1 Aberdeen City Council raises an invoice for the service provided, there is no specific legislation.

2.2 Invoices are issued monthly or quarterly and have a 28-calendar day payment from the date the invoice is raised, in which to pay in full.

2.3 Charging Orders are issued by the Council to owners of properties which have been served with a Serious Disrepair Notices and have a statutory payment term of 30 years.

### **3. RECOVERY**

3.1 Where an invoice for the service has not been paid, a reminder is issued 7 days after the 28-calendar day payment term being reached.

3.2 A final notice is issued 14 days after the reminder. This states that there is, 7 days to make full payment, failing which legal proceedings will commence.

3.3 Debts which remain outstanding are then passed to the Council's Debt Collection and Sheriff Officer agent. After all pre-litigation actions, and as a last resort a Court Decree is applied for, thereafter recovery may be enforced by one of the relevant diligences.

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings
- Inhibition Order
- Insolvency
- Attachment of Goods

3.4 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

## **BUSINESS IMPROVEMENT DISTRICT**

### **1.0 INTRODUCTION**

1.1 Business Improvement District (BID) is a charge levied on business properties which Aberdeen City Council statutorily administers on behalf of Aberdeen Inspired.

1.2 The BID levy is administered and collected in accordance with the Business Improvement Districts (Scotland) Regulations 2007 legislation and local BID Levy Policy which is determined by Aberdeen Inspired.

### **2. COLLECTION**

2.1 The BID account notices are issued annually in April and the levy is payable in one instalment.

2.2 The BID account notices contain the name of the person or company liable to pay the levy, rateable value, any reliefs, total levy due and payment method.

2.3 Revised BID account notices are issued weekly.

### **3. RECOVERY**

3.1 A Reminder Notice is issued, if the BID levy is one month overdue.

The reminder advised that the amount due is required to be paid in full within 7 days.

3.2 A Final Notice is issued one month after the reminder notice, where the overdue amount has not been paid in full or a payment arrangement made.

The final notice advises that if the amount due is not paid in full within 14 days, the Council will apply for a Summary Warrant at Aberdeen City Sheriff Court. Once granted a 10% statutory penalty is added to the outstanding balance.

3.3 The amount due in terms of the Summary Warrant granted is then passed to the Council's Debt Collection and Sheriff Officer agent. If payment remains outstanding, recovery can be enforced by one of the relevant diligences

- Arrestment of Bank/Building Society accounts
- Arrestment of Earnings
- Money attachments
- Inhibition Order
- Insolvency
- Attachment of Goods

3.4 A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

## Appendix 12

### REFERENCES

The undernoted list of main references is not exhaustive.

#### **Appendix 1 - Rent**

Housing Scotland Act (2010)  
Rent Management Policy

#### **Appendix 2 - Council Tax, Water and Waste Water Charges**

Local Government Finance Act 1975  
The Council Tax (Administration and Enforcement) (Scotland) Regulations 1992  
Scottish Water  
Council Tax, Water and Waste Water charges procedures

#### **Appendix 3 - Non-Domestic Rates**

Local Government (Scotland) Act 1947, 1973, 1975  
Non-Domestic Rates procedures

#### **Appendix 4 - Housing Benefit Overpayments**

The Housing Benefit Regulations 2006  
Housing Benefit Overpayment procedures

#### **Appendix 5 - Discretionary Housing Payments**

The Housing Benefit Regulations 2006  
Discretionary Housing Payments procedures

#### **Appendix 6 - Former Tenancy Arrears**

Housing Scotland Act (2010)  
Rent Management Policy

#### **Appendix 7 – Legal Expenses – Rent**

Housing Scotland Act (2010)  
Rent Management Policy

#### **Appendix 8 - Penalty Charge Notices**

The Road Traffic (Permitted Parking Area and Special Parking Area) (Aberdeen City Council) Designation Order 2003,  
Road Traffic Regulation Act 1984  
The Removal and Disposal of Vehicles Amendment (Scotland) Regulations 2002  
Penalty Charge Notices procedures

#### **Appendix 9 - Bus Lanes**

The Bus Lane Contraventions (Charges, Adjudication and Enforcement) (Scotland) Regulations 2011.  
Bus Lane procedures

#### **Appendix 10 - Service Income**

Service Income procedures

#### **Appendix 11 - Business Improvement District**

Business Improvement Districts (Scotland) Regulations 2007 legislation  
Local BID Levy Policy determined by Aberdeen Inspired.  
Business Improvement District procedures