

CHELTENHAM BOROUGH COUNCIL

In Debt

'A Way to Pay'

Introduction

The 'A Way to Pay' is a scheme intended to assist any resident of Cheltenham who is experiencing extreme difficulties paying unsecured debts (detailed in point 2 of the scheme conditions) that are due to the council. The scheme will commence on 1 April 2000.

Applicants wishing to enter the scheme must observe the basic principle that it is the individual's responsibility to pay their debt and the council has a duty to maximise collection of its debts by having an effective and economical approach towards the recovery of debt.

The Scheme will be administered through an Officer Panel comprising:

Senior Business Revenue Officer (Chairperson)
Senior Council Tax Officer
Senior Housing Officer
Community Development Team Co-ordinator

who will be assisted, when necessary by the relevant Cost Centre Managers.

Scheme Conditions

1	<p>Application for acceptance onto the scheme must be made following referral by nominated officer(s) of the council or prior notice has been given by an approved agency to the Senior Business Revenue Officer.</p> <p>An applicant would normally have more than one debt owing to the Council.</p>
2	<p>Type of debt to be included in the scheme are:</p> <ul style="list-style-type: none">· Council Tax Arrears· Rent arrears· Housing Benefit Overpayment· Sundry Debt Arrears· Community charge Arrears· Other non-secured Debt <p># Car Park Fines - Fines payable to the council must be included in the total debt and will form part of the payment arrangement if the application is successful. However, debt in respect of Car Park Fines will be excluded from the financial incentives Outlined in Scheme Condition 10.</p>
3	<p>Applications must normally have received debt counselling from an agency approved to participate in the Scheme (e.g. Citizens Advice Bureau, Cheltenham Community Support Centre, Hesters Way Neighbourhood Project, Cheltenham Housing Aid Centre, Gloucestershire Money Advice Service) and the agency must support the application.</p> <p>The applicant must make a full analysis of his or her debt position with the agency and must be in a position to make a reasonable offer of payment. (Agencies must be mindful of any regulations or guidelines that indicate the level of payment that would be expected in respect of the debt outstanding linked to the circumstances of the applicant. The agency may be asked to justify any offer of payment, which is below the amount specified in regulations or guidelines).</p>
4	<p>Applications may be submitted directly to the council, but they must be accompanied by proof</p>

	that debt counselling has been received and acted upon. Such applicants must also make reasonable offers of payment for consideration.
5	Applicants must pay any new or ongoing liability (e.g. weekly rent, monthly council tax instalments) as they fall due following the submission of their applications. The payment (or otherwise) of these sums will be taken into account when the Officer Panel determines the application.
6	Applications will not be considered from council tenants who are subject to action for breach of tenancy conditions (other than rent arrears).
7	Participants accepted onto the Scheme by the Officer Panel must: <ul style="list-style-type: none"> (a) enter into a contract for regular payments to be made until the debt(s) are paid in full, which will also include arrangements for the payment of new and ongoing liabilities. (b) not breach the contract. (c) accept the decision of the Panel as to the portion of each payment to be allocated to each debt. (d) inform the approved agency immediately of any change in their circumstances during the period of payment. (e) agree to undertake financial reviews of their circumstances during the period of payment, if so required by the council. <p>Statutory order for payment of council debt (e.g. attachment of earnings, deductions from ongoing benefit) will normally remain in force, although consideration may be given for them to be amended.</p>
8	Participants who are council tenants will not normally be able to gain access to the Housing Needs Register until their debt has been paid (see also condition 10).
9	The Officer Panel will normally expect applications to be submitted using the documentation provided by the council. Incomplete applications will not be considered.
10	Whenever the Officer Panel approves an application to join the Scheme, the Panel will set the proportion of the debt, which the council will accept as due under the Scheme (range from 10p-90p in the pound). Example: Debt £1,000 50p in the pound accepted = for each 50p paid a credit of 50p would be awarded. If the participant fully complies with the scheme they would pay £500 and a £500 credit would be made. Each application will be considered on a individual basis and the level of payment will be determined by taking account of all relevant circumstances and being mindful of the council's duty to maximise collection. Only in most exceptional circumstances will the levy exceed 50p in the pound. There will be no right of appeal against the Officer Panel Decision.
11	Provided there has been no breach of conditions the council will credit the participant's account(s) with the appropriate sum for each whole pound paid, accounts being credited in March, June, September and December of each year, in respect of payments made in the preceding quarter.
12	The Officer Panel will review council tenant cases, which have been successfully operating for a two year period. In these cases, consideration will be given to allow entry on to the Housing Needs Register and cancelling the remaining rent arrears.
13	Persons can only participate in the scheme once.
14	The scheme conditions can be varied from time to time by the Officer Panel either generally or in particular circumstances.

15	The council has the right to terminate the scheme at any time without notice, subject to the continuation of existing arrangements.
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Scheme Procedures

	Scheme Procedures	Action
1	The applicant may approach any participating agency direct or be referred by a council officer. The applicant is advised to make an appointment with their selected agency to discuss their financial position, taking with them all details of their debts.	Applicant
2	The agency must inform the Senior Business Revenue Officer, that an application is pending.	Agency
3	The agency will be required to keep the Senior Business Revenue Officer informed of progress and complete assessments as quickly as possible.	Agency
4	The applicant will be required to sign an authorisation form to allow their agency to discuss their finances with all creditors.	Applicant
5	The agency must ensure an income and expenditure form is fully completed by the applicant.	Agency/applicant
6	Once the agency is satisfied that they have completed a full analysis of the debts of the applicant and provided them with a workable plan to re-pay all their debts, an application can be made to enter the Scheme. The applicant must have in place an agreement with all creditors.	Agency
7	The agency must advise the applicant that until an application has been formally submitted, recovery action in respect of any debt due to the council will normally continue.	Agency
8	In normal circumstances, the council will not instigate further recovery action in the period following the receipt of the application and a decision being made.	Council
9	The amount to be included in the scheme, if accepted, will be the amount outstanding at the time of application. Accordingly, during the period of processing an application the agency must advise the applicant of the importance of making payment of ongoing liability (e.g. weekly rent, monthly council tax) and encouraged them to continue with any payment arrangements which may be in force in respect of the arrears.	Agency
10	The council may refer an application back to the agency for further information.	Council/Agency
11	The agency must send the application to Exchequer Services Division, Cheltenham Borough Council, PO Box 10, Municipal Offices, Promenade, Cheltenham, GL50 1PW marked for the attention of the Senior Business Revenue Officer. This Officer will acknowledge receipt. All queries should also be addressed to this Officer.	Agency
12	The application will be considered by the Officer Panel, who will meet once a month.	Council
13	An annual timetable of meetings will be given to participating agencies in March of each year, which will also indicate dates by which completed applications must be received for consideration at the next meeting.	Council
14	The applicant and the agency will be informed of the decision made by the Officer Panel as soon as possible (normally within 10 working days). If the application is successful, the Officer Panel will determine the	Council

	<p>portion of each payment to be allocated to relevant debts within Service Areas. In normal circumstances, the allocation of payment will be in proportion to the total debt (rounded to the nearest 50p).</p> <p><u>Example</u></p> <p>Total debt £1,000 Payment offered £10 per week</p> <p>Council Tax Arrears = £400 Payment allocation per week = £4 Overpayment of Benefit = £100 Payment allocation per week = £1 Rent Arrears = £500 Payment allocation per week = £5</p>	
15	If the application is successful the documentation to be sent to the applicant will provide full details of all the debts included, together with the payment arrangement accepted.	Council
16	Participants will be required to pay in line with instructions provided and the Business Revenue Section will split the payment in line with the agreement and reallocate to the service software system, on a monthly basis.	Participant/ Council
17	Participants will receive statements each quarter informing them of how the debts have been reduced.	Council
18	Should a participant have a change of circumstances during the period of payment he or she must inform the agency immediately and they will be required to reassess the repayment plan.	Participant
19	The agency must inform the Senior Business Revenue Officer immediately they are informed by the participant that a change of circumstances has occurred. If further payment is prevented, this will <u>not</u> be treated as a breach of the scheme provided notification is given in the period between the change of circumstances occurring and the date of the next payment. The case will be placed on suspense, awaiting a revised application. It should be noted that if the participant's circumstances change to the extent that it is no longer appropriate for them to continue to be on the scheme a cancellation notice will be issued.	Agency/Council

Breaches Of Agreement

Agencies must stress the importance of this part of the agreement to all participants.

	Conditions/Procedures
1	Any breach of conditions/procedures of the scheme will be referred to the Officer Panel and may result in the removal of the participant from the scheme. There will be no right to make further application, or right to appeal
2	Any breach of conditions/procedure resulting in the participant being removed from the scheme will result in a minimum loss of any financial credit that may have been accruing for the current quarter. The Officer Panel has the discretion to cancel any credits given for all previous quarters.
3	Any deliberate false statement made by the applicant in relation to their circumstances to gain entry to the scheme, will result in their immediate removal from the scheme and the loss of any financial credits given from an appropriate date determined by the Officer Panel. There will be no right to make further application, or right to appeal

Payments	
1	The scheme will only permit one breach in payment in a financial year (April – March). If a participant has missed a payment, they and the agency will be informed. The participant will be required to bring the arrangement up to date immediately or contact their agency for a full review.
2	More than one breach in payment within a financial year will result in the removal of the participant from the scheme with no right to make further application, or right to appeal.
3	The failure to pay any new liability incurred on the due date, will result in the removal of the participant from the scheme with no right to make further application, or right to appeal.

Administration

1	The Contact Officer for the scheme will be the Senior Business Revenue Officer – Exchequer Services Division.
2	The Business Revenue Section within the Exchequer Services Division will be responsible for administering the scheme.
3	The Business Revenue Section will be required to: <ul style="list-style-type: none"> a) liaise with participating agencies. b) liaise with applicant/participants regarding any queries relating to scheme and payment agreement. c) co-ordinate the Officer Panel meetings. d) keep records of applications. e) issue any necessary documentation. f) monitor and distribute payment on a monthly basis. g) gain authorisation for write off from the appropriate delegated officer h) co-ordinate and issue regular statements to participants i) inform participants/agencies of breaches of agreement and the consequences j) monitoring the scheme in specified areas.

Stationery

- Income and Expenditure form
- Authorisation form
- Standard letter to prospective applicants
- Standard form for agencies to submit application on behalf of applicant
- Standard letter to participants and agency with decision
- Payment record sheet
- Authorisation form for write off
- Standard letter accompanying statements
- Applications pending
- Suspense application