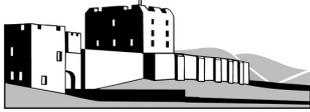


**CARLISLE
CITY COUNCIL**



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AUDIT COMMITTEE

Committee Report

Public

Date of Meeting: 27 SEPTEMBER 2011

Title: Housing and Council Tax Benefit Overpayments Audit

Report of: Assistant Director (Resources)

Report reference: RD46/11

Summary:

Progress to date in implementing Audit Recommendations on overpayment administration

Recommendations:

Members are requested to scrutinise and comment on the action plan and procedure notes put in place to fully address the audit recommendations on overpayment administration.

Contact Officer: Peter Mason

Ext: 7270

CITY OF CARLISLE

To: The Audit Committee
27 September 2011

RD 46/11

Housing Benefit and Council Tax Benefit Overpayments Audit

1. Introduction

- 1.1 Members at their meeting of the 15th August considered an audit report on Housing and Council Tax Benefit Overpayments.
- 1.2 The report made several recommendations designed to improve overpayments administration and recovery and a suggested timetable for completion.
- 1.3 Members were particularly concerned to ensure that the deadlines for completion of agreed recommendation actions were adhered to.
- 1.4 The Committee requested a further report setting out the current position with regard to the recommendations contained within the Audit.
- 1.5 The purpose of this report is to provide members with details of progress to date against the action plan produced to progress the Audit recommendations supported by a summary of the main issues that have been addressed.

2. Progress to date in implementing Audit Recommendations on overpayment administration

- 2.1 In implementing audit recommendations a detailed action plan has been produced to progress the required recommendations (see appendix 1).
- 2.2 In summary 11 of the 12 recommendations have been fully implemented by the 19th September 2011 in the following areas of overpayment administration i.e.
 - cover when overpayments officer is on leave has now been organised
 - standard letters are now more user friendly and sample checked for accuracy
 - overpayment runs are reconciled
 - accuracy checks are being put in place
 - debts now being forwarded to debt collection agency routinely
 - other administrative routines actioned expediently
 - Write off's now progressed through Council write off procedures in a timely manner.

- 2.3 The main recommendation from the audit concerned the production of comprehensive overpayment procedure notes as guidance for staff administering overpayments recovery.
- 2.4 This has now been actioned for Carlisle based overpayments administration. An overpayment procedure manual has been produced (see appendix 2). The manual covers:
- Procedures to be followed in recovering benefit overpayments via recovering from on-going benefit or sundry debtor account (including flowchart)
 - All the technical / on line routines / computer jobs that need to be run periodically in progressing recovery.
 - Adherence to the anti poverty strategy a very important consideration bearing in mind the type of debtor.
 - Technical glossary of terms for staff as a reference point.
- 2.5 In meeting action 1 on the action plan the Benefits Manager intends to produce a comprehensive overpayments procedure manual covering the 3 Councils within the Revenues and Benefits shared service: The manual will be based on the procedures put in place for Carlisle but taking account of local differences in how overpayments are administered across the shared service. For example Allerdale refer outstanding overpayment debts to their legal department for recovery whilst Carlisle and Copeland action recovery from within shared service resources.
- 2.6 This action is being hindered by the long term sickness absence of the Overpayment Team Leader but the Benefits Manager is confident that this action will be completed and fully implemented across the shared service within the next 6 months.
3. Short Term Resourcing of Benefits Overpayment administration in Carlisle
- 3.1 Temporary staff resources have been targeted at overpayments recovery for a six month period (costs met by ring fenced DWP recession grant targeted at benefits administration). Those staff are working on the backlog of overpayments recovery work with the objective of having all overpayment recovery on individual debts up to date by February 2012.
- 3.2 From March 2012 the shared service will be in a position to fully resource overpayments administration routines going forward.

4 Recommendation

- 4.1 Members are requested to scrutinise and comment on the action plan and procedure notes put in place to fully address the audit recommendations on overpayment administration.

Appendix 1

<u>Ref</u>	<u>Issue</u>	<u>Grade</u>	<u>Recommendation</u>	<u>Agreed Actions</u> <i>Responsible Officer: Benefits Manager</i>	<u>Suggested Timescale for Completion</u>	<u>Actual Completion Date</u>
A						
1a	There are no comprehensive overpayments procedure notes available.	B	As part of the Shared Service administrative 'overhaul', the Overpayments Policy needs to be updated. This should embrace the joint working approach of the shared service.	The Overpayments Policy has been revised for Carlisle and will be used as a basis for a policy across the shared service.	31 st Dec 2011	<i>Will be finished by 31st Dec 2011</i>
1b			Comprehensive system procedures need to be developed for Carlisle City Council. This should embrace the joint working approach of the shared service.	The current procedures have been updated and will be used as a basis for providing a common approach across the shared service.	31 st Aug 2011	9 th Sept 2011
2	The Benefits Officer does not have any cover when absent from the office.	B	Arrangements should be put in place to pick up the essential elements of the Overpayments Officer's duties in their absence. The future successful implementation of the 'shared desktop' facility between Council's should assist in this process.	The Senior Overpayments Officer will provide cover in the absence of the Overpayments Officer at any of the three sites within the shared service. Due to long term sickness absence this has been covered by the additional resource temporarily seconded to Overpayments and by the Senior Recovery Officer. 2 additional staff have been recruited and will start 19 th Sept.	31 st July 2011	Aug 2011
3a	The overpayment template in Academy has inaccuracies and is unclear in places.	C	The overpayment invoice template requires amendment to ensure it is more 'user friendly' for the claimant. Inaccuracies should also be amended.	The template produced from the Benefits software is run through separate software which then produces a user friendly letter. However all letters are currently under review.	30 th Sep 2011	Aug 2011
3b			A sample selection of letters to claimants should be quality checked prior to posting to highlight any obvious anomalies.	Sample letters are quality checked.	30 th June 2011	Aug 2011

<u>Ref</u>	<u>Issue</u>	<u>Grade</u>	<u>Recommendation</u>	<u>Agreed Actions</u> <i>Responsible Officer: Benefits Manager</i>	<u>Suggested Timescale for Completion</u>	<u>Actual Completion Date</u>
A						
4	The daily overpayments run is not reconciled.	B	A control report listing all overpayments produced the previous day should be ran from the Academy system and reconciled to the letters produced to ensure that all overpayments are identified and the recovery process begun in all cases.	This is in place.	31 st July 2011	Aug 2011
5	The Overpayments Officer is the only member of staff involved in the payment arrangement process. Claimants complete a financial statement if payment agreements 'veer away from the norm' these are then scanned.	B	Introduce accuracy checks on HB overpayments by a HB Team Leader. This provides an additional level of assurance and completeness of claims and a layer of segregation.	Accuracy checks will be put in place to ensure adequacy of training for the new Overpayments Officer. Due to the resource intensive nature this will be discontinued once the Overpayments Officer is deemed to be competent. The new officers start 19 th Sept and checking will commence from this date.	31 st Aug 2011	Start 19 th Sept 2011
6	At present, cases are not being referred to a debt collection agency for recovery	B	The decision whether or not to transfer the responsibility to Rossendales (debt collection agency) should be made as soon as possible so that the recovery process can be progressed.	Agreed to transfer responsibility to Rossendales, first batch of outstanding cases transferred June 2011. New cases are now being passed to Rossendales every 2 or 3 weeks.	30 th June 2011	Jun 2011
7	The Performance Team process and monitor all Assessment Officer overpayment cancellations.	C	For management monitoring purposes it would be beneficial if a summary of all Assessment Officer authorised overpayments be passed to the Benefits Manager on a monthly basis to keep track on the volume and reasons behind these adjustments.	Responsibility sits with the Senior Overpayments Officer and the Benefits Manager. The Performance Team carry out the transaction to ensure that the balancing and reconciliation are correct and that the ledger balances to benefits figures.	31 st July 2011	Aug 2011

<u>Ref</u>	<u>Issue</u>	<u>Grade</u>	<u>Recommendation</u>	<u>Agreed Actions</u> <i>Responsible Officer: Benefits Manager</i>	<u>Suggested Timescale for Completion</u>	<u>Actual Completion Date</u>
A						
8	There are too many cases at 'Awaiting Action' of the Recovery Process. These are currently only reviewed on a fortnightly basis.	B	Increase the frequency in which the overpayment cases at 'Awaiting Action' stage get reviewed and to what degree. This will attempt to move cases on to the next stage of recovery more quickly. Resource issues should be discussed with management to arrange necessary support.	Cases at 'Awaiting Decision' are now being reviewed weekly.	31 st July 2011	Aug 2011
9	Existing or new claimants with outstanding overpayments are not checked as part of the weekly routine. Report hb6100a from the Academy reporting library lists all the active claims on the system that are not in active recovery (i.e. claw back).	B	The existing cases as at 19 th April should be progressed immediately. For future process, this should be ran and actioned as part of the weekly standard routine.	The Performance Team are currently checking this report hb6460 Outstanding Invoices Not In Recovery. It will then be run regularly.	31 st July 2011	Aug 2011
10	Change of address information is not getting passed on in all cases. Currently Benefits Control sheets are only reviewed before recovery commences.	B	Assessment Officers should be instructed to inform the Overpayments Section of any information received regarding change of address however old the debt is so that the case can be reviewed, and if the overpayment is still outstanding, it can be re-invoiced.	It would be too complicated to run a query and there isn't a report which can be run identifying change of address. The Overpayments officer can check the DWP database as well as Council Tax and Benefits for address changes. Revenues and Benefits Manager to speak to staff to ensure changes of address are notified to Overpayments where appropriate.	31 st July 2011	9 th Sept 2011

<u>Ref</u>	<u>Issue</u>	<u>Grade</u>	<u>Recommendation</u>	<u>Agreed Actions</u> <i>Responsible Officer: Benefits Manager</i>	<u>Suggested Timescale for Completion</u>	<u>Actual Completion Date</u>
A						
11	There are a number of outstanding cases sitting on the system that should have been passed for write off.	B	All the cases sitting at 'Not Recoverable' stage should be written off immediately. In future, this report should be run and actioned in line with the Executive Committee cycle so that cases can be presented for write off.	Report to the 30 Aug 11 Executive wrote off 121 debts totalling £70,454.74. Write offs will be reported to the Executive Committee quarterly in future.	31 st July 2011	30 th Aug 2011
12	The reporting mechanism in IMAN is not being used to its full potential.	B	The reports listed should be examined and any useful ones incorporated into the weekly routine for monitoring and balancing purposes. A full review of the reports available will be considered as part of the Shared Service procedure documentation to be progressed by the Team Leader (Overpayments). Suggested reports: hb6100 Outstanding Invoices im6430 No Recent Payments im6040 Recovery Document Production (all types) <ul style="list-style-type: none"> • Reminder • Final Reminder • Refer to Source • Collection Agency • Legal Section • Not Recoverable • Awaiting Decision • Landlord Recovery • Orchard Credit Transfer • DWP Deductions • Flood Damage im6140 Customer Agreement Report im6120 Unallocated Credit hb6460 Outstanding Invoices Not In Recovery	All reports are being run to evaluate their usefulness. A timetable will then be drawn up to run the reports required. As part of the new procedures <ul style="list-style-type: none"> • a detailed timetable has been produced • The reports have been reviewed and will be run as required • Processes have been examined and it has been identified that some can be automated and others transferred to different sections of the Shared Service to free up resources within Overpayments for actual debt recovery. 	31 st July 2011	9 th Sept 2011

Audit of Housing & Council Tax Benefit Overpayments 2011/12

Action Plan

<u>Ref</u>	<u>Issue</u>	<u>Grade</u>	<u>Recommendation</u>	<u>Agreed Actions</u> <i>Responsible Officer: Benefits Manager</i>	<u>Suggested Timescale for Completion</u>	<u>Actual Completion Date</u>
A						
			hb7040 Landlord Deduction Case Charges hb7090 Housing Benefit Overpayment Report hb9090 Overpayment Monitoring			

Housing Benefit Overpayments Procedures

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Introduction to the Collection of Housing Benefit Overpayments

The Council will send an invoice immediately an overpayment is created or set an attachment to Housing Benefit or other DWP benefit as appropriate.

Time will be allowed for the claimant to appeal against the decision to recover the overpayment before a reminder is issued.

The Council will provide the appropriate advice to the debtor and offer instalment agreements where it is established that the debt cannot be paid in full.

Matters will only be referred to a collection agent or legal action commenced after the Council have exhausted all other possible means of recovery.

The Council will adhere to its anti poverty strategy and good practice guidelines when considering appropriate recovery action.

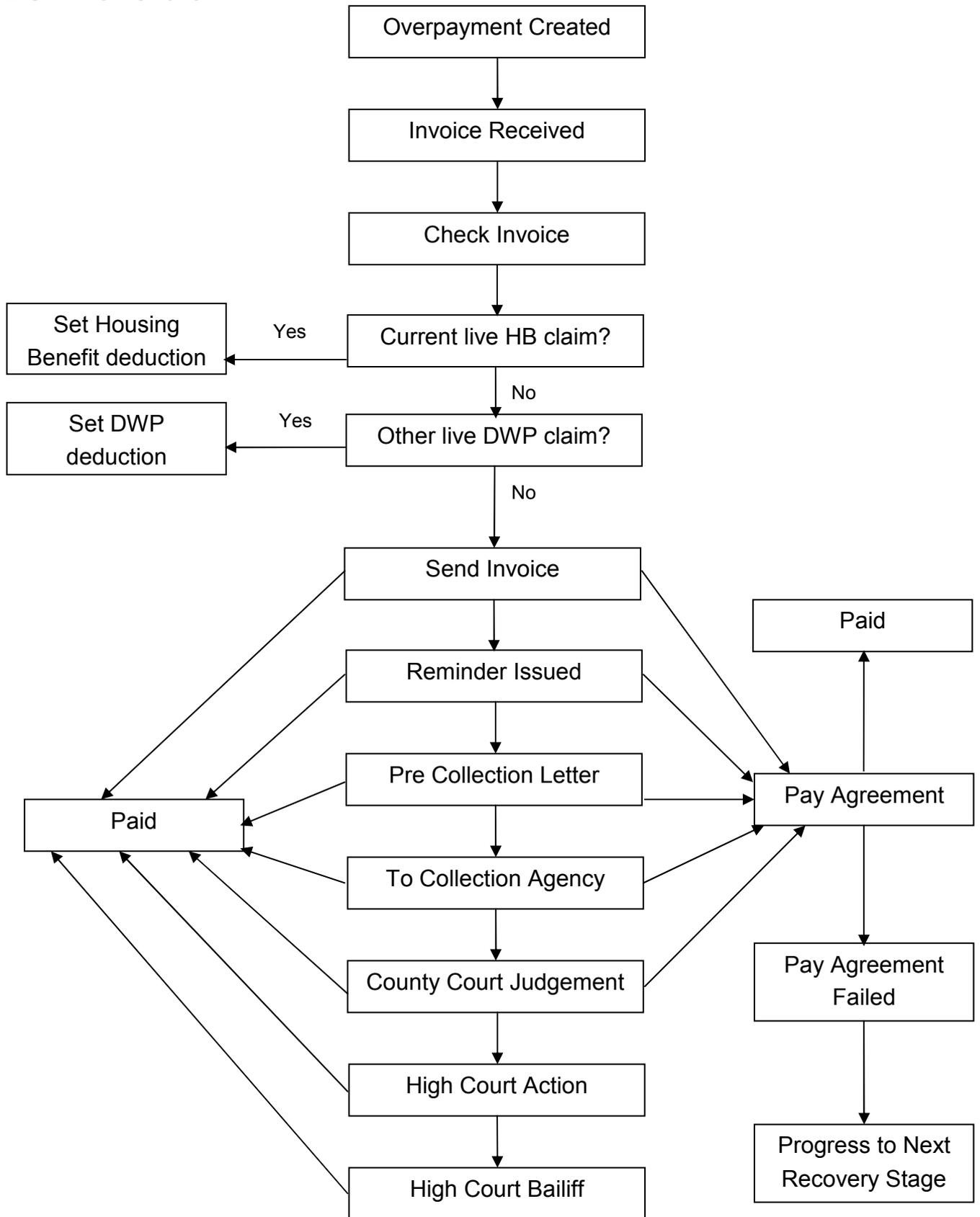
- It is the intention of the Council to collect all amounts outstanding as soon as possible.
- The Council will endeavour to be responsive to individual circumstances and enter into reasonable and mutually acceptable arrangements for payment.
- The Council's recovery policy has been drawn up in compliance with current legislation but incorporates the Council's own anti poverty strategy and policies on dealing with vulnerable people.
- The recovery policy for overpayments of housing benefit has been agreed in advance to ensure that all debtors are treated fairly and objectively.

All complaints should be dealt with within 10 working days and, depending on the nature of the complaint, further recovery action may be suspended while the complaint is investigated.

- **Invoices** – Issued as soon as possible. Direct deductions and pay agreements will be considered.
- **Reminders** – Issued 28 days after invoice if no response.
- **Pre Collection Agency Notice** – Issued where no response to reminder or payments defaulted whilst at reminder stage.
- **Collection Agency** – Referred for collection only where all previous attempts to recover have been unsuccessful.
- **County Court** – A County Court Judgement may be sought if all previous action has been unsuccessful.
- **High Court Enforcement** – Debts over £600 may be taken through the High Court then referred to a High Court Enforcement Officer where all other action has been unsuccessful.

HBOPs Procedures

HBOP Flowchart



Housing Benefit Procedures

- **Overpayment Created**

Where an adjustment on HBIS results in an overpayment of housing benefit a debt is raised and an account/invoice created on the IMAN system.

- **Invoice Raised**

An invoice is automatically produced on the working day following the overpayment being raised. All invoices go to the Overpayment Officer.

Each morning the Overpayment Officer runs a transaction query on IMAN screen IM1050 Transaction Search to double check that a document has been produced for each overpayment created the previous working day. This is checked to the invoices and any discrepancies are investigated and resolved.

- **Check Invoice**

The Overpayment Officer gets invoices, arrangement letters and direct deduction letters which are to be checked to IMAN to make sure the documents are correct and that the correct action is being taken.

- Where an invoice has been raised and a direct deduction is possible the deduction will be set and the invoice scrapped.
- Where an invoice is raised and the debtor has other invoices at arrangement the Officer should assess if the arrangement is sufficient. If it is the new invoice should be added to the current arrangement and a letter sent with the new invoice to confirm that the arrangement has been amended.

When invoices have been checked they should be dispatched with the advice notes (see page [14](#)) attached.

Where the overpayment invoice is for a Council department it should be followed up by telephone call to arrange prompt payment.

The invoice allows 4 weeks for the debtor to pay in full or make an arrangement. This is linked to the statutory period allowed for the debtor to make a formal appeal against the overpayment.

- **Direct Deduction**

Deductions can be made either through DWP or from Council housing benefit.

DWP - Deductions can be made from JSA / ESA / GPC / DLA. This is at a fixed rate of £10.20 per week in 2011/12 (revised annually) and money is paid to the LA monthly. The Officer sets the recovery stage to DWP Deductions and adds the invoice details to a referral form to go to the DWP.

To ensure payments are being made by the DWP, the [IM6040](#) Recovery Document Production report should be run in read only with the DWP Deductions recovery stage ticked, every month then checks made to ensure payments are being received.

Deduction From Housing Benefit - Where the debtor is currently in receipt of housing benefit, direct deductions can be made. This is entered on IMAN as a Pay Agreement (H). The level of deduction is determined by a statutory calculation which currently starts at £10.20 per week for a standard overpayment and £13.60 per week for a fraud related overpayment in 2011/12. These amounts are amended every year. These deductions are monitored through the pay agreement reviews (see page [6](#)).

HB Deductions Pending - Invoices are set as HB Deductions Pending where a deduction is running on another invoice. It will remain at this stage until the prior deduction is clear. The Iman report IM6040 Recovery Document Production run with the Agreement Pending for HB Review ticked will produce a report of all cleared HB Deductions so that the Overpayment Officer can ensure the next deduction is set.

- **Reminders**

Reminders are run weekly.

Job [IM6040](#) is run in read only selecting reminders as action. The resulting report is checked.

Run job in update selecting Reminders and send the appropriate letter, with inserts.

- **Pre Collection**

Pre Collection letters are run weekly.

Job [IM6040](#) is run in read only selecting Refer to Source as action. The resulting report is checked.

Run job in update selecting Refer to Source and send the appropriate letter, with inserts.

- **Collection Agency**

Cases to go to Collection Agency are selected fortnightly.

Job [IM6040](#) is run in read only selecting Collection Agency as action. The resulting report is checked.

Look at other applications (CTax, HBIS, Facebook etc.) and decide if the debt should be referred to the collection agency or if a tailored letter, phone call or text message is more appropriate.

Job IM6040 is then run in update selecting Collection Agency. From the resulting report required data is put into a spreadsheet in an agreed format and sent to the collection agents (Rossendales) through the Onestep system.

Any queries, payments, returns and commission invoices are received by email from Rossendales and actioned by the Overpayments Officer.

All cases with the collection agency should be checked every 3 months to ensure:

- Balances are correct.
- Addresses are updated.
- Appropriate action is being taken.
- Monitoring the work and efficiency of the collection agency.

- **Awaiting Decisions**

Where the debtor makes a formal appeal against the overpayment it may be appropriate to withhold recovery action pending the outcome. The recovery action is amended to Awaiting Decision.

All cases at this stage are reviewed to ensure recovery action proceeds once the appeal is dealt with. Job [IM6040](#) is run in read only selecting Awaiting Decision as action. To review the Overpayments Officer will contact the Appeals Officer to query progress. Where the Officer can estimate when the appeal will be resolved this should be diaried on IMAN to assist further reviews. Diary reports should be run regularly, job IM6160 Diary Date Report from IMAN.

- **Arrangements**

Arrangements will be made following contact from debtor by phone or counter. It should be based on the debtor's ability to pay and their current circumstances. Careful consideration should be made to the Council's anti poverty strategy and recovery protocols. Look at available applications to assist the decision e.g. CTax, HBIS, Images, Civica, Facebook etc. If the Officer is unsure about the debtor's income a means form should be sent/completed. When making an agreement it must be made to include **all** invoices for the debtor not just the one at hand.

Any agreements which will take more than 6 months to clear should be reviewed. This is because income circumstances could change and the Overpayments Officer may not be informed. Also the debtor could be paying off Council Tax arrears or other debts. Clearing other debts will release funds to increase the overpayment agreement.

- **Setting Agreement**

Agreements are set as Invoice Agreement where there is only 1 invoice and Customer Invoice where there is more than 1.

In the Agreement screen select New. The terms of the agreement are set and the screen is profiled. If correct the action is saved.

Setting the agreement doesn't automatically produce a letter or a standing order (if required). These are currently produced manually from Word but should be produced via IMAN and ProPrint.

- **Monitoring Agreements**

This is a batch job which is set to run every Tuesday night.

The [IM6040](#) Recovery Document Production report is produced which is printed each Wednesday morning showing agreement warnings and terminations. The report is checked and the Officer will decide using the Council's anti poverty strategy and recovery protocols whether to:

- § Reset the agreement to match the payments being made.
- § Send a reminder letter.
- § Default the agreement and progress to the next stage.

The above actions all require a manual process. Arrangements are defaulted by the Officer and any letters are produced from Word but should be produced via IMAN and ProPrint.

- **Legal Action**

Where the Council and the Collection Agency are unable to secure payment of the debt further legal action can be taken (subject to consideration of the Council's anti poverty strategy and recovery protocols). This can be taken through the County Court or the High Court.

- **County Court**

The Council's experience is that the only use of County Court action is the threat to the debtor of a County Court Judgement and the restrictions that that carries. This action is better taken as a gateway to High Court action and transferring the debt to a High Court Enforcement Officer.

- **High Court Enforcement**

County Court Judgements over £600 can be transferred up to the High Court. Once a judgement is obtained in the High Court the debt can be referred to a High Court Enforcement Officer who can attend the debtor's home carrying the same powers as a bailiff. The bailiff will be able to distrain on goods of the debtor to discharge the debt.

Rossendales offer a service where they will take the CCJ and obtain High Court Orders and progress the recovery process as appropriate.

- **Write Offs**

Where debts are identified as irrecoverable they are marked for write off and entered onto a spreadsheet which will be submitted for approval. The debt is then written off on IMAN. A clear notepad must be made so that debts can be written back on if necessary.

Any debts under £10.00 may be written off under a small balance write off provision. Debts of £10.00 to £50.00 will still be referred to the Collection Agency but if returned uncollected it will be submitted for write as irrecoverable.

- **Cash Income**

Any payments received are manually posted from ICON reports into IMAN by the Overpayments Officer on a daily basis.

A report is printed each morning and the Officer carries out 2 processes in posting the payments.

1. Posting the payments onto IMAN.
2. Entering the data onto a spreadsheet for the purposes of reconciling the data and providing management statistics.

– **Posting Of Payments.**

Each payment is posted against the relevant invoice on IMAN for the debtor. If the debtor has an agreement the Officer will ensure that the payment is posted correctly and that the agreement is up to date. Once all payments have been posted the Officer uses the IM1050 Transaction Search screen to ensure that the correct amounts have been posted to IMAN.

– **Payment Reports.**

When posting the cash the Officer will mark the report to show if the payment being made is in respect of:

- a. Council Tenant (old debts).
- b. Private Tenant.
- c. Administrative Penalty.
- d. Discretionary Housing Payment.

The data is then further split to show:

- a. Current financial year.
- b. Arrears from a previous financial year.

The data is entered onto a spreadsheet which is:

Q/Benefits/Benefits Controls/IMAN/2011-12/IMAN INCOME

• **Daily Statistics Report.**

Totals are taken every morning from 7 reports run on the scheduler and entered on a pre formatted spreadsheet:

Q/Benefits/Benefits Controls/IMAN/2011-12/IMAN TOTALS 2011-12

Data entered is a cumulative record of all payment types, transfers, debits, credits etc. The purpose of this report is to provide management statistics and information for Financial Services. It also helps Finance reconcile IMAN to the Ledger.

• **Refunds.**

The IM6120 Unallocated Credit job is run to identify credits on IMAN. The Officer will check to:

- Transfer the credit to the correct invoice.
- Refund the credit.

If the credit is to be refunded the Officer must determine if it should be paid to the landlord or the claimant. The refund is processed on IMAN and a request is made for a member of the Performance Team to run the cheques. When the cheques are printed they are currently passed to the Overpayments Officer to send out with a letter which is typed from Word but should be sent out by admin to ensure division of duties.

Returned and cancelled cheques are handled by the Performance team.

Online Guide

The DWP provide a comprehensive guide to overpayments found on the following link:

<http://www.dwp.gov.uk/local-authority-staff/housing-benefit/claims-processing/operational-manuals/overpayments-guide/>

Anti Poverty Strategy

Background

The number of Carlisle residents financially at risk due to their low income means that a significant portion of people are billed for Council Tax at barely affordable amounts. This includes many who are caught in the poverty trap where benefits are rapidly withdrawn as income increases and many who are not receiving their maximum benefit entitlement, as well as some who receive all their entitlements.

The Council has to address the tension of efficiently collecting monies due whilst needing to act as sensitively as possible, whilst adhering to strict recovery regulations in order to avoid causing undue or inadvertent harm to people who are vulnerable. There is some discretion available to the Council in its responsibilities for collection and debt recovery.

The most important principle reflected in the guidelines is that customers are treated differently on the basis of their income. In addition to assistance to all taxpayers, the strategy must recognise the particular problems of people on low income so as to provide the necessary help and to promote efficiency 'by focusing procedures, particularly enforcement remedies so that costly abortive work is minimised', i.e. attempt other forms of recovery (based on information available), for example deductions from Income support before bailiff action is considered.

It is important to identify the groups of people who might have difficulty paying:

- people claiming Housing or Council Tax Benefit and/or Tax Credits/Pension Credits
- people with incomes just above benefit level
- people not receiving their entitlement to benefits
- people with a good payment record who suddenly stop/reduce payments

Aims

- to efficiently, effectively and economically collect and recover monies owed to the Council in a manner that is sensitive to marginalised groups and people living on low income to ensure a fair and consistent response to their needs
- to use all means available to prevent, reduce and minimise hardship and debt arising for Council Tax payers.

Good Practice Guidelines

These cover areas of access, benefits, dealing with debt and management and development issues:

- to ensure that all customers are dealt with fairly and consistently;
- to maximise benefit take up by a range of sustained activity to provide information, advice and assistance in claiming benefits;
- to offer and publicise a wide variety of payment methods;
- to maximise access to payment facilities;
- to offer affordable and realistic payment arrangements;

- to use a variety of methods to provide full, clear and accessible information and advice in a variety of formats on charges, billing and payment methods;
- to make clear and concise information widely available about the statutory sanctions that must be used in the recovery process and about the Council's approach to and provisions for people with financial difficulties;
- to provide customers with ready access to contact points for advice from the Council;
- to provide greater delegation to staff and clear policy and procedural guidelines to aid their quick and sensitive decision making;
- to provide support to and liaise with advice agencies, recognising the valuable intermediary role which such agencies play;
- to encourage people who have trouble paying to make contact early before debt problems escalate;
- to intervene early with reminders when payments are missed;
- to reduce the inappropriate use of costly enforcement procedures;
- to ensure personal contact is made and maintained by appropriate Council staff at early stages of debt;
- to monitor policies and actions by bailiffs who are to be used as a last resort;
- to monitor and evaluate collection and recovery practices;
- to co-ordinate the collection of Council Tax and the speedy administration of benefits;
- to produce and publicise a service charter, which sets out what people can expect from the Council on Council Tax and Benefit matters.

Other Principles Incorporated in Guidelines

Payment Frequency

- match payment intervals to the receipt of payers income (e.g. weekly/fortnightly payment frequencies);
- as long a cycle as reasonably possible;
- allow payers to change payment frequency at any time;
- flexible payment arrangements (for a varying income).

Payment Facilities

- Cash/ debit or credit card (at Civic Centre)
- Standing Order
- Direct Debit
- Debit or Credit Card over the phone.
- Internet.
- Allpay card.

Where debtors do not have a bank account ensure the customer has the opportunity to pay by a method which involves no charge, does not involve long/costly journeys or long waits in queues.

Information and Advice

- adequately and regularly publicise;
 - directly by post, through all Council outlets/venues;
 - indirectly through all agencies which provide advice and support (including health and voluntary agencies);
 - enquiry service as front line operation;
 - telephone helplines;

Discounts, Exemptions, Benefits

- general campaigns;
- guidelines for staff on backdating and additional benefits in exceptional circumstances, delegating decision making as appropriate to speed up resolution;
- publicise, with simple explanations and with examples to help people identify their own entitlement (e.g. Second Adult Rebate);
- assist people to claim, including filling in the forms for any benefit;
- refer people for welfare rights or money/debt advice.

Benefit Claim Form

- a single claim form for Housing Benefit and Council Tax Benefit to maximise take up and reduce confusion;
- simple, easy to understand form to minimise difficulty;
- include where help can be obtained, and what other benefits may be available.

Minimise Effects of Overpayments

- make it easy to report changed circumstances (e.g. freepost cards widely available);
- give high priority to reviewing benefit;
- income; make it easier to decide excess benefit cases and provide proper notification; stress right to review and where to get further help;
- make speedy decisions to avoid delay in adjusting payment plans;
- if claimant moves to a new address, treat as a change of circumstances, and not a new claim so there is no break in benefit.
- prompt net bills are essential;
- if benefit is not being claimed include a leaflet with the bill;
- include clear information about payment by instalment and methods of payment;

Debt and Arrangements to pay

When dealing with people on low income, the available sanctions may prove inefficient and uneconomic. People who fall into arrears are most often willing to pay, but unable to do so. The most effective way of obtaining payment from people in arrears is not coercion but through workable and realistic arrangements, based on the fullest account of personal and financial circumstances of people in debt. 'Some regular payment is preferable to arrangements which are unrealistic, broken and ultimately destined to fail' as well as imposing a huge strain on debtors.

- seek arrangements as soon as possible;
- speedily enact and confirm arrangements to pay in writing;
- examine an individual's financial and personal circumstances in detail, including other debts and take exceptional circumstances into account (e.g. bereavement);
- Attachment of Earnings orders and Deduction from Income Support can sometimes be less than voluntary arrangements;
- Attachment of Earnings can lead to dismissal for those not protected by the Employment Protection Consolidation Act of 1978 and admin costs can be high;
- exceptions where the debtor cannot meet the continuing liability

Vulnerable Debtors

The nearest we have is probably the definition contained within the National Standards for Enforcement Agents, published by the then Lord Chancellor's Department in 2002, which provided the following as a list of those who might be regarded as potentially vulnerable:

- the elderly;
- people with a disability;
- the seriously ill;
- the recently bereaved;
- single parent families;
- pregnant women;
- unemployed people; and,
- those who have obvious difficulty in understanding, speaking or reading English.

Benefit / Debt Counselling

- Where the chargepayer is experiencing financial difficulties, the Council and bailiffs will advise or refer for advice by contacting:
 - Carlisle Community Law Centre
 - Carlisle CAB
 - Christians Against Poverty
 - Benefits Advice Service
 - Credit Union

Glossary

Advice Notes sent with Overpayment Invoices

HOUSING BENEFIT OVERPAYMENT

Due to a change in your housing benefit entitlement a recoverable overpayment has been created which must be repaid.

The enclosed invoice details the amount which you must pay. Please pay the debt in full or contact the Overpayments Section to discuss the possibility of a payment agreement.

If you wish to appeal against the overpayment you must do so in writing. An overpayment decision notice has been sent to you separately from the invoice which provides further details.

The enclosed sheet details a number of agencies who may be able to give you help/advice with the matter.

How to Pay

- At the Civic Centre by debit/credit card or cash.
- Over the internet on www.carlisle.gov.uk
- By telephone with a debit/credit card on 01228 817228, 01228 817244 or 01228 817455
- Standing Order
- At HSBC

When making payment please quote your Invoice Number.

When paying at HSBC or setting up a standing order quote your invoice number and the Council's bank details which are:

Sort Code 40-16-22 Account Number 60217468

If You Don't Pay

Please ensure that the debt is paid in full or an agreement is made immediately or further recovery action will be taken. If you fail to deal with the matter the Council could take action in the County Court which would result in a County Court Judgement being made against you. This would affect your credit rating.

If the debt remains unpaid it could be passed to a bailiff who would visit your home to seize goods to discharge the debt. Both of these actions would involve further costs and charges being added to the debt.

PLEASE DO NOT IGNORE THIS INVOICE.

You can contact the Council direct on 01228 817228 or get independent help/advice from one of the following agencies.

<p style="text-align: center;">CAB</p>	<p>Citizens Advice Bureau, 5&6 Old Post Office Court, (Devonshire Street), Carlisle. CA3 8LE Reception opens at 9am on Wednesdays & Thursdays and at 10am on Saturdays. Interview slots are allocated on a first come first served basis at that time. Fixed appointments on Fridays – these can be booked by phone from 10am on the Monday of that week. Call the main number on 01228 633909. Priority for these is given to those unable to attend the Wednesday or Thursday drop-in sessions due to work, care, mobility problems etc. Admin/Appointment Line 01228 633909 Advice Line 01228 633900</p>
<p style="text-align: center;">LAW CENTRE</p>	<p>Community Law Centre, 8 Spencer Street, Carlisle. CA1 1BG Free telephone advice line from the Carlisle office on 01228 515129 (Monday to Thursday 10am to 12:30pm and Friday 11am to 12:30pm) Email: reception@comlaw.co.uk If you think that you will need an appointment or representation then call the advice line first. This will ensure that you get an appointment at the right time and that the relevant information is obtained at the start. If you have an urgent matter that needs to be dealt with before the next advice sessions, such as a notice of eviction, a tribunal deadline or another court hearing then please call on 01228 515129 or drop in at the Law Centre.</p>
<p style="text-align: center;">CREDIT UNION</p>	<p>Carlisle & District Credit Union, 95 Lowther Street, Carlisle. CA3 8ED. The Credit Union offers the opportunity to build up savings and gives access to borrowing at reasonable rates. All profits are returned to the members and all savings are fully insured. They have recently moved to 95 Lowther Street, Carlisle and also provide outreach support in Botcherby, Brampton, Currock, Petteril Bank and at Raffles Living Well Trust. Contact by telephone on 01228 594007</p>
<p style="text-align: center;">BENEFITS ADVICE SERVICE</p>	<p>Benefits Advice Service, Civic Centre, Carlisle. CA3 8QG. Based in the Civic Centre but also offers outreach help. The Benefit Advice Service will provide free, independent and confidential advice on any benefit or tax credit issue from initial claims up to and including representation at Appeal Tribunal and Commissioners. Contact by telephone on 01228 817400 Monday to Thursday 2pm – 4pm (for telephone enquiries) or email bac@carlisle.gov.uk</p>

To run Housing Benefit Agreement reports

Using IM6040 Recovery Document Production

The Sort Sequence is either Invoice or Customer

Set the Agreement field to either:

- Agreement Warnings Only
- Agreement Terminations Only
- All Agreements Processed

If the report is required in read only ensure the Read Only box is ticked



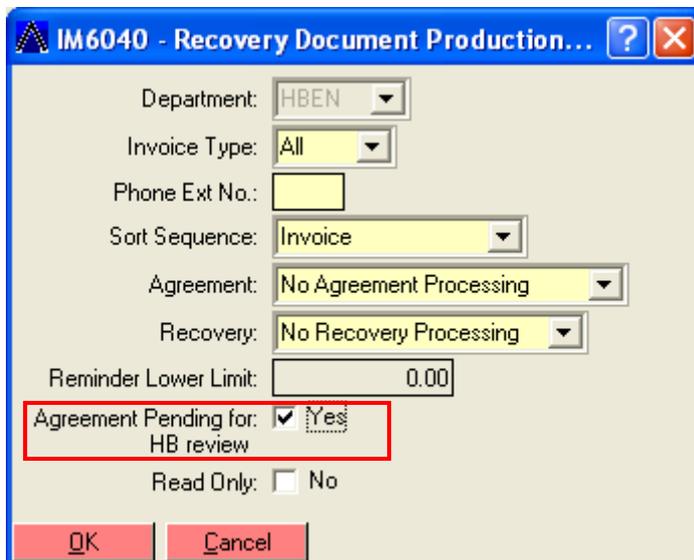
The screenshot shows the 'IM6040 - Recovery Document Production...' dialog box. The fields are: Department: HBEN, Invoice Type: All, Phone Ext No.: (empty), Sort Sequence: Invoice, Agreement: No Agreement Processing (highlighted with a red box), Recovery: No Recovery Processing, Reminder Lower Limit: 0.00, Agreement Pending for: No, and Read Only: No (highlighted with a red box). The OK and Cancel buttons are at the bottom.

To run Pending Housing Benefit Agreement reports

Using IM6040 Recovery Document Production

The Sort Sequence is either Invoice or Customer

Tick the Agreement Pending for HB review field:



The screenshot shows the 'IM6040 - Recovery Document Production...' dialog box. The fields are: Department: HBEN, Invoice Type: All, Phone Ext No.: (empty), Sort Sequence: Invoice, Agreement: No Agreement Processing, Recovery: No Recovery Processing, Reminder Lower Limit: 0.00, Agreement Pending for: Yes (checked, highlighted with a red box), and Read Only: No. The OK and Cancel buttons are at the bottom.

To run Recovery reports

Using IM6040 Recovery Document Production

The Sort Sequence is either Invoice or Customer

Set the Recovery field to Event selection which opens a further box allowing you to choose by ticking the box what stage of recovery you want to run.

If a recovery minimum amount is required set it in the Reminder Lower Limit field.

If the report is required in read only ensure the Read Only box is ticked.

IM6040 - Recovery Document Production...

Department: HBEN

Invoice Type: All

Phone Ext No.:

Sort Sequence: Invoice

Agreement: No Agreement Processing

Recovery: Event Selection

Reminder Lower Limit: 0.00

Agreement Pending for: No
HB review

Read Only: No

Event Description	
<input type="checkbox"/>	Invoice
<input type="checkbox"/>	Issue a Reminder
<input type="checkbox"/>	Final Reminder
<input type="checkbox"/>	Refer To Source
<input type="checkbox"/>	Collection Agency
<input type="checkbox"/>	Legal Section
<input type="checkbox"/>	Not Recoverable
<input type="checkbox"/>	Awaiting Decision

OK Cancel