South Gloucestershire Council

# Debt Management Policy

South Gloucestershire Council has a responsibility to collect income that is lawfully due in order to fund essential public services.

July 2026

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# Introduction

This policy sets out the council's approach to debt recovery for external customers and ensures that recovery activity is fair, proportionate, consistent, and sensitive to individual circumstances, particularly where customers may be vulnerable.

# Policy objectives

The objectives of this policy are to:

- maximise the collection of the income owed to the council
- ensure a fair, supportive and transparent approach to debt recovery
- promote early engagement and prevent escalation of debt
- protect vulnerable customers
- comply with relevant legislation and best practice

# Principles of debt recovery

South Gloucestershire Council is committed to recovering income that is lawfully due in a way that is fair, proportionate and transparent, whilst recognising that customers' circumstances and ability to pay will differ.

The council will take a consistent approach to debt recovery across all services, ensuring that customers are treated respectfully and without judgement. Clear and timely information will be provided so that customers understand what they owe, why the debt has arisen, and the options available to them to resolve it.

Recovery action will be proportionate to the level and type of debt, and enforcement activity will be used only where appropriate. Wherever possible, the council will seek to resolve debt through early contact, dialogue and agreement, rather than escalation.

The council recognises that the causes of debt vary. Some customers may be willing to pay but are temporarily unable to do so, whilst others may disengage from payment without good reason. Recovery methods will reflect these differing circumstances, with supportive approaches used for those experiencing genuine difficulty and firmer action reserved for cases where there is a failure to engage or comply.

Throughout the recovery process, the council will balance income collection with its wider responsibilities to residents, including safeguarding, equality duties and the prevention of financial hardship.

# Supporting vulnerable customers

The council recognises that some customers may be vulnerable or experiencing hardship, which may affect their ability to manage debt or engage with recovery processes. Vulnerability may arise from a range of circumstances, including financial hardship, health conditions, disability, caring responsibilities, redundancy, bereavement, or other significant life events.

Customers may contact the council through a range of channels, including the **contact centre, One Stop Shops, and online services**. Staff working in these services play an important role in identifying when a customer may be experiencing difficulty and ensuring that appropriate support and information are provided at the earliest opportunity.

Where vulnerability is identified, or where a customer alerts the council to difficulties, recovery action will be reviewed and adjusted where appropriate. This may include allowing additional time to pay, agreeing affordable repayment arrangements, modifying communication methods, or pausing recovery action whilst the customer's circumstances are considered.

The council will take reasonable steps to ensure communications are accessible and understandable and will make reasonable adjustments for customers who need them. Customers will be encouraged to engage early so that issues can be addressed before debt escalates.

The council will not provide regulated financial advice. However, through its One Stop Shops, contact centre and other customer-facing services, the council will signpost customers to appropriate internal and external support, such as welfare and benefits services and independent debt advice organisations, where this may help them manage their situation more effectively.

The council will comply fully with relevant statutory protections, including the debt respite scheme (Breathing Space), and will continue to act with safeguarding responsibilities and equality legislation when managing recovery debt.

## Early engagement and communication

Early engagement is central to the council's approach to debt recovery. The council believes that most debt issues can be resolved more effectively when customers are able to engage at an early stage, before arrears increase or recovery action escalates.

The council will issue bills and invoices promptly and accurately, using clear language and explaining payment options and due dates. Where payment is not received, the council will make reasonable efforts to contact customers to explain the next steps and encourage them to get in touch to discuss their circumstances.

Customers who contact the council early will be given the opportunity to discuss their situation and explore suitable payment options where appropriate. The council will encourage open communication and will aim to work constructively with customers to agree sustainable solutions wherever possible.

Failure to engage or respond may result in recovery action progressing in line with statutory and service-specific processes. However, customers will continue to be given opportunities to contact the council and discuss their circumstances throughout the recovery journey.

The council's approach to communication is intended to be clear, respectful and supportive, whilst making the consequences of non-payment transparent so that customers can make informed decisions.

## Payment options and repayment arrangements

The council aims to make it as straightforward as possible for customers to pay amounts owed. A range of payment methods is offered to enable customers to choose an option that best suits their circumstances, including online payments and other accessible channels.

The council expects payment to be made in full and upfront where reasonably possible, or by the due date shown on their bill or invoice. However, the council recognises that some customers may not be able to pay the full amount immediately.

Where a customer is unable to pay in full, the council may agree a repayment arrangement, considering the customer's individual circumstances and ability to pay. Repayment arrangements are intended to be affordable and sustainable, helping customers to clear their debt while maintaining ongoing payments where applicable.

Customers are encouraged to contact the council as early as possible if they are having trouble making a payment. Early engagement allows options to be explored and helps prevent further recovery action or additional costs arising.

Repayment arrangements are kept under review. If circumstances change, customers are encouraged to contact the council promptly so that arrangements can be reviewed where appropriate.

## Recovery and enforcement (high-level)

If a debt remains unpaid and a customer has not engaged with the council, recovery action may progress in line with relevant legislation and service-specific recovery processes. The council aims to be clear and transparent about the consequences of non-payment so customers can make informed decisions.

Recovery action will normally follow a staged approach, beginning with reminders and requests for payment before moving to more formal recovery action where necessary. Enforcement action is used only where appropriate and after reasonable attempts have been made to engage with the customer and agree payment.

The council will ensure that any recovery or enforcement action taken is lawful, proportionate and fair, and that customers are given appropriate notice before further steps are taken. The customer's circumstances, including any known vulnerability or hardship, will be considered throughout the recovery process.

Where enforcement action is pursued, this will be carried out in accordance with statutory requirements and recognised standards of good practice.

## Debt advice and multiple debts

The council recognises that customers who owe money may often have **multiple debts**, either with the council or with other organisations. Debt problems can have a significant impact on individuals and families and addressing them requires a holistic and supportive approach.

Where the council is aware that a customer owes more than one debt to the council, it will seek to take a joined-up view of those debts where possible. This may include considering repayment arrangements that address multiple debts together, rather than treating each debt in isolation.

The council does not provide regulated financial advice. However, the council recognises the important role that independent advice organisations play in supporting people who are struggling with debt. Customers may be signposted to appropriate internal services and independent debt advice organisations to help them understand their options, prioritise debts and access additional support where available.

Customers are encouraged to seek independent advice as early as possible if they are experiencing ongoing financial difficulty. Engaging with advice agencies can help customers manage their situation more effectively and reduce the risk of debt escalating further.

## Write offs

Where debts are deemed to be irrecoverable after all reasonable recovery action has been taken, they may be written off in accordance with the council's **financial regulations** and approved procedures.

Writing off a debt is considered a last resort and does not reflect a lack of effort to recover the amount owed. Each case will be assessed on its individual merits, considering relevant circumstances such as insolvency, bereavement, or where all appropriate recovery options have been exhausted and there is no realistic prospect of recovery.

Decisions to write off debt will be made in line with the council's delegated authorities and governance arrangements, ensuring transparency and accountability.

## Complaints

Customers have the right to complain if they are dissatisfied with the way their debt has been managed by the council.

Any complaint relating to debt recovery will be handled in accordance with the council's complaints procedure, which sets out how concerns can be raised, investigated and responded to. Making a complaint does not remove the customer's responsibility to pay amounts owed, but the council will ensure that complaints are considered fairly and appropriately.

Information on how to make a complaint is available on the council's website or can be provided through the contact centre or One Stop Shops.

## Equality and data protection

This policy is underpinned by the council's commitment to equality, fairness and lawful processing of personal information.

The council will manage debt in a way that complies with the **Equality Act 2010**, ensuring that customers are not treated unfairly or discriminated against as a result of protected characteristics. Reasonable adjustments will be made where required to support accessibility and inclusion.

Information and guidance in other languages and formats for example, large print or in Braille can be requested.

All personal data will be processed lawfully, fairly and securely in accordance with the **Data Protection Act 2018** and **UK GDPR**. Information may be shared appropriately within the council or with authorised partners where necessary for the purposes of debt recovery, safeguarding, or compliance with legal obligations. Details of how the council manages personal data can be found in this privacy notice.

## Review

This policy will be reviewed **annually** to ensure that it remains up to date, effective and aligned with relevant legislation, guidance and best practice.

Any significant changes to legislation, guidance or the council's approach to debt recovery may trigger an earlier review.