LANARKSHIRE VALUATION JOINT BOARD

DEBT RECOVERY POLICY

Contents

1. Introduction
2. Aims & Objectives
3. Service Standards
4. Recovery of Sundry Debt
5. Recovery of Civil Penalties
6. Debt Enforcement
7. Write Off of Outstanding Debts
8. Legal Framework
9. Equal Opportunities
10. Complaints

1. Introduction

1.1 This policy will become effective from 7 September 2026. While an element of the Lanarkshire Valuation Joint Board's (LVJB) overall spending is funded by North & South Lanarkshire Councils, they are also funded through sales of the Electoral Register and Certified Extracts from the Valuation Roll and can recoup the administrative costs of issuing civil penalties from such monies raised through those penalties.

Customers, citizens and businesses have a responsibility to pay for the charges for which they are liable. It is essential that all monies due to LVJB are actively pursued, and this document sets out the general principles to be applied in doing so.

1.2 The key components of this policy are: -

- Aims and Objectives
- Service Standards
- Recovery of Sundry Debt
- Recovery of Civil Penalties
- Performance Monitoring and Reporting

Detailed procedures have been developed to guide staff through the key processes involved.

2. Aims and Objectives

2.1 The overall objective of LVJB's debt recovery policy is to maximise income by ensuring that all billing, collection, and recovery action is undertaken in an economic, effective, and efficient manner, in accordance with legislation.

2.2 The specific aims and objectives of the policy are:

- to ensure all customers pay in accordance with their bills/invoices
- to ensure bills/invoices and adjustment notices are issued at the earliest opportunity in accordance with regulations
- to take prompt action to reduce the risk of arrears escalating and becoming unmanageable
- that LVJB's approach to debt arrears is 'firm but fair' and consistent for all
- to take appropriate and proportionate action to recover outstanding monies
- to recognise that failure to recover monies due, impacts on LVJB's ability to provide key services

3. Service Standards

3.1 A summary of LVJB's service standards is set out below:

- have detailed procedures that are applied consistently across the service
- ensure staff are trained to enable them to carry out their roles effectively
- ensure a wide range of accessible payment methods are available
- ensure that customers are given the opportunity to agree an arrangement to repay arrears
- signpost customers to money advice agencies as appropriate

4. Recovery of Sundry Debt

4.1 Sundry Debt is the collective term for non-statutory accounts including invoices for goods and services e.g. the sale of the Electoral Register.

LVJB is responsible for the raising and issuing of invoices to customers for payment. LVJB must ensure that the evidence of service provided is fully validated and that the invoice is accurate and contains sufficient detail for both billing and recovery.

4.2 LVJB will ensure that all collection and recovery action is undertaken in an economic, effective, and efficient manner in accordance with legislation and that: -

- Invoices will be issued timeously
- outstanding accounts with no repayment arrangement will be passed to South Lanarkshire Council to pursue payment on LVJB’s behalf
- South Lanarkshire Council, on behalf of LVJB, will consider raising a court action to obtain a decree

4.3 A decree is a money judgement that a creditor can obtain at court to prove that a debt exists.

4.4 Following the granting of a decree the debtor will be given an opportunity to make a suitable payment arrangement. Should the debtor not make, or keep to, a payment arrangement then recovery action can be taken by the debt management contractor.

5. Recovery of Civil Penalties

5.1 The Non-Domestic Rates (Scotland) Act 2020 (“The Act”) introduced Civil Penalties in the case of failure to comply with Assessor Information Notices (AIN).

5.2 Under section 30 of the Act, a penalty is recovered as a civil debt due to the Assessor.

5.3 A civil penalty will be remitted in full, in the following circumstances: -

- Where a person can prove that they do not hold/control the information requested
- Where a full AIN return has been made, during the ‘grace period’; following receipt of the first civil penalty notice (CPN) and prior to the issue of the first civil penalty invoice

In practice, the first civil penalty invoice will be issued 14 days after the date of issue of the CPN. Which will allow the parties involved a ‘grace period’ in which they may return the information requested in the original AIN.

5.4 The payment of a penalty does not negate the need for the original AIN to be returned.

5.5 The Assessor may mitigate or remit any penalty at any time, under section 30(7) of the Non Domestic Rates (Scotland) Act 2020.

5.6 Whilst the primary aim of this process is to maximise the AINs being properly completed and returned, the process of administering CPNs is very time consuming and costly. It is therefore the aim of LVJB to collect civil penalties, from which reasonable expenses incurred by LVJB can be retained.

5.7 Where a CPN has been properly served by registered mail, it will be policy that no civil penalty invoice will be remitted on receipt of an AIN. Any penalties incurred would remain outstanding and payable, subject to section 5.3 above.

5.8 LVJB will ensure that all collection and recovery actions are undertaken in an economic, effective and efficient manner in accordance with legislation and that:

- bills will be issued timeously
- outstanding accounts with no repayment arrangement will be passed to South Lanarkshire Council to pursue payment on LVJB’s behalf
- South Lanarkshire Council will consider raising a court action, on behalf of LVJB, to obtain a decree

5.9 A decree is a money judgement that a creditor can obtain at court to prove that a debt exists. Following the granting of a decree the debtor will be given an opportunity to make a suitable payment arrangement. Should the debtor not make, or keep to, a payment arrangement, then recovery action can be taken by a debt management contractor.

6. Debt Enforcement

6.1 The different processes of debt enforcement which are available under Scottish law are referred to as diligence. A person or organisation (the creditor) can use diligence if someone who owes them money (the debtor) has failed to pay a sum due.

6.2 Where appropriate, a debtor will be served with a Charge for Payment by a Sheriff Officer, prior to the execution of diligence. South Lanarkshire Council will support LVJB and will utilise all forms of diligence including, but not limited to:

- funds attachment - attachment placed on debtor's bank account on any funds in excess of the statutory minimum
- money attachment - permits the seizure of money belonging to the debtor (at business premises) in satisfaction of the debt

6.3 If the amount of arrears meets the statutory minimum requirement, South Lanarkshire Council, on behalf of LVJB, may petition for sequestration or liquidation.

6.4 South Lanarkshire Council on behalf of LVJB may arrange for an inhibition order to be placed on a property to prevent a debtor from disposing of the property before making payment of an outstanding debt.

7. Write Off of Outstanding Debts

7.1 The practice of writing off debts due, is permitted in accordance with LVJB's Financial Regulations.

7.2 Outstanding debts may be written off for deceased, sequestrated and liquidated estates and where prescribed under legislation. Debts may also be considered for write off where it is deemed uneconomical for South Lanarkshire Council on behalf of LVJB to pursue. The Assessor, in consultation with the Treasurer can recommend debts are written off in respect of specific cases.

7.3 All write offs must be approved by the Board and submitted for approval quarterly.

8. Legal Framework

8.1 South Lanarkshire Council, on behalf of LVJB, will ensure that the Debt Recovery Policy adheres to the legislative and good practice requirements for the collection of LVJB income. This will include complying with the following:

- Debtors (Scotland) Act 1987
- The Bankruptcy and Diligence etc. (Scotland) Act 2007
- The Non-Domestic Rates (Scotland) Act 2020

9. Equal Opportunities

9.1 In relation to debt recovery, this policy is consistent with our Equal Opportunities Policy and aims to ensure that we act fairly and lawfully on all occasions. We will not discriminate against anyone on the grounds of race, colour, ethnic origin, nationality, gender, sexuality, disability, age, religion or other beliefs.

9.2 An Equality and Diversity Impact Assessment has been carried out to ensure that the policy is inclusive and does not unfairly disadvantage any groups within the community.

9.3 A Privacy Impact Assessment has been carried out to ensure that the policy does not unfairly impact on the privacy of any group within the community.

9.4 Ongoing monitoring of the policy will be undertaken to ensure equality objectives are achieved.

10. Complaints

10.1 LVJB operates a Complaints Procedure that is available to anyone who is not satisfied with the way in which their case has been dealt with. Details of the Complaints Procedure will be made available and accessible through our office, and LVJB website.