

Self-help guide Dealing with **Debt**

Endorsed by Yare Valley and
District Citizens Advice Bureau

www.great-yarmouth.gov.uk



GREAT YARMOUTH
BOROUGH COUNCIL

Where to get **ADVICE** on debt problems

If you feel that you have money problems that are too difficult to sort out without help from a money advisor, you can get debt advice from the organisations listed below.

Yare Valley and District Citizens Advice Bureau

2 Stonecutters Way, Great Yarmouth, NR30 1HF. Tel: 01493 856665

Norfolk DebtLine (part of CAB)

Norfolk Debtline is part of the CAB and is a Norfolk based debt advice service. The service is free, confidential, impartial and independent. You should contact them by telephone in the first instance on (01603) 679678 during their opening hours which are: Monday to Thursday 10am – 3pm. Alternatively you can arrange to see an advisor face to face by calling (01603) 660857. There is also useful information on their website: www.debtline-online.co.uk

Consumer Credit Counselling Service

The Consumer Credit Counselling Service also offer a free telephone based advice service for people in debt. You can telephone them on 0800 138 1111 or you can find out more on their website: www.cccs.co.uk

Norfolk Community Law Service

This service is available to offenders, ex-offenders and their families throughout Norfolk. This service is free and confidential.

Appointments can be made Monday to Friday 9.30am – 5pm.

Tel: (01603) 496623 Email: info@ncls.co.uk. Website: www.ncls.co.uk

Great Yarmouth Borough Council

Community Housing,

Housing Advice and Homelessness

Tel: (01493) 846398

Email: enquiries@great-yarmouth.gov.uk

We want to assist people with debt problems

The Council recognises that people can have difficulties with debt issues. These can be for many different reasons, some of which maybe outside of their control. For instance, it could be the loss of a job, the arrival of a new born child or an unexpected illness. Dealing with debt in circumstances such as these can appear complicated. However, if dealt with at the start and not neglected, problems are often resolved before they become more serious

If you need some help to resolve debt problems, please seek help from one of the organisations listed on page 2. If you have any problems relating to Council Tax or Benefit Overpayment arrears, contact Great Yarmouth Borough Council on (01493) 846244 Or 846291. Alternatively, email: ctax@great-yarmouth.gov.uk

This leaflet has been produced to help people assist themselves with debt problems, or to find specialist help. The first stage of this is to realise there is a problem. If you don't keep control of your money it can be difficult to cope and this applies whether council tax is the biggest debt or just part of a bigger problem



If you need this information in large print, audio, alternative format or in a different language please telephone 01493 856100 and we will do our best to help

Key stages to help you manage your debts

Key guidelines for managing debts

- Don't ignore your debts they won't disappear on their own.
- Talk to the people you owe money to about the problems you have with paying. If they are not aware of your situation they will keep chasing you for payment.
- Keep copies of letters and emails sent to the people you owe money to.
- Ensure you ask for written confirmation of any arrangements you make.
- Tell them if your circumstances change (such as losing your job or your income changes drastically).
- Don't ignore the people you owe money to or ignore their letters as this may lead to more drastic action to get payments from you.
- Don't pay for debt advice if your finances are stretched. The organisations listed on page 2 are free.
- Don't borrow more money to pay your debts without taking expert advice – this is rarely the right answer.

4 Steps to dealing with debt

Putting debts in their order of priority is normally the best way to manage debts. Then you need to draw up a budget planner to help to decide how much you pay to each person you owe money to. The steps below can help

1. Set aside time to list all the income you have coming in and also who you owe money to. Then get together all your bills and highlight reference numbers which will be required when you contact them.
2. When listing all your income make sure you include wages, child benefit, child tax credit, working tax credit and any state benefits such as income support.
3. Decide what your priority debts are (debts that are more important than others) and non-priority debts. Priority debts are debts where the person you owe money to has certain powers to make you pay the money you owe them. Some priority debts are listed overleaf and show what can happen if you do not pay them

Key Stages to help manage your debts

Priority debts

What happens if you don't pay

Mortgage	Eviction
Secured loan	Eviction
Rent	Eviction
Council Tax	Bailiffs/imprisonment/bankruptcy
Fines and maintenance payments	Court action/imprisonment
Gas and electricity	Disconnection
Tax and National Insurance	Court action/imprisonment

From the above it can be seen that not paying priority debts could lead to you losing your home or being sent to prison. This makes them more important than non-priority debts.

Non-priority debts

What happens if you don't pay

Unsecured loans	} County court judgement based on your ability to pay
Store cards	
Credit cards	
Catalogue cards	
Bank overdraft	
Social fund loans	
Mobile Phone/Satellite TV	

If you are not sure whether a debt is a priority or not, please seek advice.

4. At this stage you should now have the following:

- Your total income
- Your priority debts
- Your non-priority debts

On pages 6 to 9 of this booklet you use the budget planner to list your income and outgoings and work out a payment plan

Budget Planner - INCOME Figures

Please list your income here. The areas below all need to be completed as monthly or weekly to work properly

Income	Yourself (A)	Your Partner (B)
Earnings		
Job Seekers Allowance and/or Income Support		
Child Benefit		
Carers allowance		
State Pension		
Private Pension		
Statutory Sick Pay		
Working Tax Credit		
Child Tax Credit		
Child Support and/or maintenance		
Income from lodgers		
Any other income (<i>please list</i>) <div style="border: 1px solid black; height: 80px; width: 100%; margin-top: 5px;"></div>		
Total income for you and your partner is (A) + (B) from above	£ (C)	

Figure (C) will be needed for page 8

Your budget planner - EXPENDITURE FIGURES

£

On this page you need to enter details of your household expenditure (money spent on a regular outgoings)

Debts, arrears or payments should not be included on this page. These are dealt with later in the booklet

Whichever period (e.g weekly or monthly) you used for the income figures please use the same here

Mortgage	
2nd mortgage/secured loan	
Service charge/ground rent	
Council tax	
Water	
Electricity	
Other Fuels (coal, paraffin, oil)	
Endowment/mortgage protection	
Buildings/contents insurance	
Life insurance	
Pensions	
HP/conditional sale	
Telephone	
Mobile phone	
Vehicle road tax	
Car insurance	
Car fuel	
Bus fares	
Train fares	
Food and housekeeping	
Prescriptions	
Childcare court orders	
Clothing/footwear	
TV Licence	
TV rental/satellite	
Schoolmeals	
Haircuts	
Other expenses (please list)	

Total Expenditure

£
(D)

You will need to use figure (D) on page 8

Now you have worked out your income and regular expenditure you can calculate what is left for creditors by deducting total expenditure (**D**) from total income (**C**).

Total monthly income (C) <i>figure from page 6</i>	£	
Minus total monthly expenditure (D) <i>figure from page 7</i>	£	
= Income available for creditors	£	(F)

Working out payments for priority debts

At this point you need to contact your priority creditors to make an arrangement to pay back what you owe (see priority creditors stated earlier in this booklet). You may be able to pay extra to them each month for your arrears. Remember priority creditors are the most important of all the people to whom you may owe money. When you write to them quote their reference numbers and ask them not to take any further action whilst you are sorting out your debts.

Once you have agreed payments with your priority creditors you will be able to complete the section below:

Creditor sheet 1 - PRIORITY DEBTS

	<i>Arrears</i>	<i>Payment amount agreed</i>
Mortgage		
Secured loan		
Rent		
Council tax		
Fines & maintenance payments		
Tax and National Insurance		
Gas and Electricity		
Other utilities		
Total priority debt payments	£	£ (F)

Dealing with debts for non priority creditors

The final part is to decide how much you can pay to non-priority creditors. The way to do this is to deduct the figure (F) from the figure (E) from page 8 to see what is left available for non priority creditors. You then need to make a payment offer to each non priority creditor based on what you have left at the end of the week or month and what proportion your total debts you owe to each creditor. Below is how to work it out:

Say you owe:	Type of debt	Amounts owed
	Personal Debt.....	£1,359.00
	Store card.....	£725.00
	Catalogue debt	£579.00
	Total	£2663.00

Assuming you have £24 left from your income after allowing for payment of your expenditure and your priority debts. The creditor you owe most to will get the highest repayment with the next one down getting a smaller payment and the last one getting an even smaller repayment

Below is an example of how to do it

- Using the above example of the Personal Loan you divide that amount by the overall total owed: $\text{£1,359 divided by £2,663} = \text{£0.51}$
- You then multiply the above figure by the amount of disposable income:
..... $\text{£0.51 multiplied by £24} = \text{£12.24}$
- £12.24 is the amount that can be offered to the personal loan company. So from this example the other amounts offered will be:

Personal Loan.....	£12.25
Store Card.....	£6.53
Catalogue Debt.....	£5.22

This system is also used by the courts for working out what you can reasonably afford to pay and it is accepted by most creditors. Once you have done all this you need to write to each non priority creditor with a payment offer. It is also advisable to send them a copy of your budget planner and a list of your other creditors so they can see that you have worked out the payment offer fairly

What Next?

If you feel unable to deal with debt problems you need to contact one of the advice agencies listed on page 2 of this booklet. If your problems mainly relate to Council Tax, then you need to talk to the Council and we will do our best to help you

Council Tax Discounts

Do I qualify for a discount ?

The full council tax assumes there are two or more adults living in a dwelling. If only one adult lives in a dwelling, the council tax is reduced by 25%. People in the following groups may not be liable for council tax and may not count towards the number of adults resident in a dwelling:

- full time students and non-British spouses of students, student nurses, apprentices and Youth Training trainees.
- patients resident in hospital
- people who are being looked after in care homes
- people who are severely mentally impaired
- people who are staying in certain hostels or night shelters
- 18 and 19 year olds who are at or have just left school
- certain types of care workers, usually working for charities
- people caring for someone with a disability who is not a spouse, partner or child under 18
- members of religious communities (monks and nuns)
- people in prison (except those in prison for non-payment of council tax or a fine)
- people with diplomatic privileges or immunities
- members and dependants of International Headquarters and Defence organizations
- members and dependants of visiting forces

Circumstances where other discounts may apply

The council tax bill for a furnished dwelling that is no-one's main home is reduced by 10%. Pitches with a caravan and moorings with a boat that are unoccupied along with the following properties that are furnished and no one's main home, receive a 50% discount:

- certain job related dwellings
- certain geographically defined dwellings
- properties that are prevented from being occupied by planning conditions for a continuous period of at least 28 days

Properties which are unoccupied and unfurnished receive a 10% discount.

Reductions for the disabled

The council tax bill may be reduced for dwellings which have a special room set aside for the needs of a resident disabled person. An extra bathroom or kitchen required by the disabled person or extra space to allow the use of a wheelchair indoors may also qualify.

The relief is equivalent to reducing the valuation band to the one below and ensures that disabled people do not pay more because of a need for extra space. The reduction includes band A dwellings.

If you think any of these may apply, please contact Customer Services on 01493 846244

Cut Your Council Tax

**You may be paying more than you need...
We will help you pay less if we can**

How could I pay less?

Council Tax Benefit could help pay towards some or all of your Council Tax Bill if you are on a low income, even if you own your own home, and whether or not you work.

How is Council Tax Benefit worked out?

Your Council will work out if you qualify for help, taking into account your individual circumstances. This will include your age and whether you live alone.

What should I do next?

Apply now

You can get a claim form from our website **www.great-yarmouth.gov.uk** or by filling in the coupon below and sending it to the address shown on the front of your Council Tax Bill.

You can also get information at the Department for Work and Pensions website: **www.dwp.gov.uk**

Please send me a claim form for Council Tax

Signed:

Name: Date:

Address:

.....

.....

..... Postcode:

To apply for Council Tax Benefit, please complete this coupon and send it back to the address on the front of your Council Tax bill.

Contact Details

Great Yarmouth Borough Council

Town Hall

Hall Plain

Great Yarmouth.

NR30 2QF

Tel: 01493 856100

E-mail: enquiries@great-yarmouth.gov.uk

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