
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	28th APRIL 2016	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE AND CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/revenues and benefits/policies and procedures/debt recovery/summary report April 16
SUBJECT:	DEBT MANAGEMENT AND CREDIT CONTROL POLICY	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

1.1 That the Debt Management and Credit Control Policy is approved.

2.0 Purpose of Report

2.1 To report an updated Policy which governs the way in which the Council will manage and collects debts that it is owed. The Policy was last updated in 2008.

2.2 Although the general principles remain unchanged, the Policy has been updated to include all debts owing to the Council, including sundry debts and housing rents, together with changes to the enforcement of debt and support mechanisms in place.

3.0 Executive Summary

3.1 The Debt Management and Credit Control Policy combines the previous Debt Recovery and Sundry Debtor Control Policies into a single document.

3.2 The Policy provides an updated framework for service delivery that continues to recognise that debt occurs for a variety of reasons and seeks to draw the distinction, and therefore, the approach to be taken when, on one hand, there may be a deliberate intention not to pay and, on the other, non-payment may be as a result of a simple oversight or a change in personal circumstances.

3.3 The framework fully supports the Council's Corporate Plan and provides methodologies that can be used to drive continuous improvement in collection and excellence in Customer Services by ensuring customers are treated fairly.

- 3.4 The Policy provides the core principles that apply to the Council's collection and income management processes and procedures. The organisation of actual recovery routines are set out in departmental process manuals to reflect the need to respond promptly to changes in legislation and local circumstances.
- 3.5 Under Section 151 of the Local Government Act 1972, the Director of Finance will have overall responsibility for the Policy. The Policy is based on best practice and guidance issued by various professional bodies, together with the Government. It sets out the way in which the Council intends to collect monies due to it from both individuals and businesses.
- 3.6 In short, the Council will use the most effective method of debt recovery, appropriate to each case and the nature of the debt, in order to maximise income due. However, it is inevitable that from time-to-time the Council will be required to pursue recovery, from persons and or businesses experiencing genuine financial difficulty.
- 3.7 This means that an agreed and transparent policy of how the Council manages and collects debts is considered key to ensuring consistency, sensitivity and best practice in such situations to ensure the best outcome for all parties.
- 3.8 The Policy covers the following debts owed to the Council,
- Council Tax
 - Business Rates
 - Housing Rents
 - Benefit overpayments
 - Sundry debts, e.g. commercial rents and fees and charges
- 3.9 The Policy sets out the general principles and standards to be followed in matters such as:
- Contact arrangements with the Council
 - General guidelines on payments and arrangements
 - The rules on enforcement activity, including use of the courts
 - The manner in which agents act on the Council's behalf
- 3.10 Integral to the Policy is the provision of support mechanisms such as:
- Welfare and Housing Benefit Advice
 - Discretionary Housing Payments
 - Local Council Tax Discount Scheme
 - Instalment plan facilities

- General housing advice and support
- Support and advice for businesses, including rate relief schemes

4.0 Detail

4.1 The detailed Policy is appended to this summary report.

5.0 Financial Implications

5.1 There are no direct implications arising from the Policy itself.

6.0 Corporate Implications

6.1 The Policy is intended to be used corporately and has been finalised following consultation with other Council departments. The Policy will be communicated internally and will be available on the Council's intranet. Any training or development required will be identified separately.

7.0 Community Implications

7.1 The Policy is intended to ensure that the Council collects all monies it is owed. A significant amount of money relates to statutory charges in the form of Council Tax and Business Rates. The Council has a statutory duty to enforce and collect these monies.

7.2 In some instances, the specific nature of debt recovery means that Council Officers and its enforcement agents will need to be vigilant to identify the vulnerable and maintain liaison with welfare and advice agencies as necessary.

8.0 Background Papers

8.1 None