
REPORT TO:	FINANCE & MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	3RD DECEMBER 2009	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
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SUBJECT:	SUNDRY DEBTOR CREDIT CONTROL POLICY	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

1.1 To approve the revised Sundry Debtor Credit Control Policy (Appendix A)

2.0 Purpose of Report

2.1 To update the Sundry Debtor Credit Control Policy to take into account best practice guidelines and embed the document into daily working practices throughout the Authority.

2.2 To introduce revised performance measures

3.0 Detail

3.1 The Council charges and collects income from a diverse range of activities. Customers range from other public bodies, private businesses, through to individuals. Sundry debt does not include council tax, business rates collection and housing rents.

3.2 This Policy has been revised to help the Council meet its commitment to providing Value for Money. Particularly, it provides a framework for service delivery that recognises debt occurs for a variety of reasons; in some cases there may be a deliberate intention not to pay and in others non-payment may be as a result of an oversight or a change in personal circumstances. This policy details the processes for robust billing and collection and works in conjunction with the Corporate Debt Recovery Policy.

3.3 The framework also facilitates the move towards a Performance Management operating model that fully supports the Council's Corporate Plan and which provides a methodology for generating information that can be used to drive continuous improvements and ensure excellence in Customer Service.

- 3.4 The function and objectives of this Credit Policy are to protect the Council's investment in debtors, ensure a good overall control of debt, maximise cash flow and to provide a cost effective service
- 3.5 It is inevitable that from time to time the Council will be required to pursue recovery from persons and or businesses experiencing genuine difficulty in making payment. An agreed and transparent policy of how the Council manages and collects debts is considered a key element in ensuring consistency, sensitivity and best practice in such situations. As such the approach, to collecting debt in South Derbyshire is one that provides clear and unequivocal advice and practical help.
- 3.6 The policy has been updated with the following key changes incorporated into the policy.
- 3.6.1 By raising an invoice, the originating Department agrees that approval to take appropriate recovery action, including Court action when necessary, is granted at the time that the debt is raised. See 5.2 in the policy
- 3.6.2 Only one reminder letter will be sent out before a notice of legal proceedings letter is sent - currently two reminders are sent. See 12.1 in the policy
- 3.6.3 In accordance with best practice guidance, all disputes should be resolved within 28 days. If no action to resolve the dispute is taken within this timescale a credit note will be raised and this will be charged back to the relevant departmental cost centre. See 13.7 in the policy
- 3.6.4 Invoices will be credit noted where backing paperwork for County Court action will not stand up to Court scrutiny. See 16.10 in the policy
- 3.6.5 The Debt Recovery and Management Team may initiate a credit note for invoices raised that contravene the Credit Policy at any stage of the recovery process and these will be authorised by the Head of Customer Services and Revenues & Benefits Manager. The above does not preclude the debt from being reinstated if circumstances change. See 14.3 &14.4 in the policy
- 3.6.6 Only accounts that are considered and subsequently approved as being irrecoverable will be written off against the corporate debt provision. See 17.7 in the policy
- 3.7 Revised performance measures and management reporting information is detailed in the last section of the policy (19.1)

4.0 Financial Implications

- 4.1 By taking a more pro-active approach to collecting monies owed to us this should lead to improved cashflow.

5.0 Corporate Implications

- 5.1 The Debt Recovery and Management Team in Customer Services will be responsible for ensuring that outstanding debtor accounts are collected in accordance with the revised Sundry Debtor Control Policy
- 5.2 Training of staff and the issue of the policy will commence following the decision of this committee.

6.0 Community Implications

- 6.1 The revised Sundry Debtor Credit Control Policy will be applied consistently to all debtors.