



REPORT of DIRECTOR OF RESOURCES

**to
FINANCE AND CORPORATE SERVICES COMMITTEE
27 NOVEMBER 2018**

CORPORATE DEBT RECOVERY STRATEGY

1. PURPOSE OF THE REPORT

- 1.1 To seek Member approval of a Corporate Debt Recovery Strategy to ensure efficiency, effectiveness, consistency, fairness and transparency in recovering debts owed to the Council.

2. RECOMMENDATION

That Members approve the Corporate Debt Recovery Strategy at **APPENDIX 1**.

3. SUMMARY OF KEY ISSUES

- 3.1 This is a new strategy, underpinning our Corporate approach to recovery of debts owed to the Council, including Council Tax, Non Domestic Rates, Sundry Debts, Penalty Charge Notices (Car parking) and fixed Penalty Notices (e.g. Dog Fouling).
- 3.2 The Strategy deals with the key areas of:
- Billing and invoicing;
 - Agreeing appropriate payment options;
 - Recovery and Enforcement action;
 - Identification of Vulnerable customers;
 - Debt write off.
- 3.3 The aim of the Strategy is to ensure that all monies owed to the Council are collected efficiently and effectively for the benefit of all council taxpayers, but also to ensure that the Council is transparent, fair and consistent in its approach.
- 3.4 The importance of debt collection and recovery is reflected in our Corporate Performance indicators, which set stretching targets for collection of both Non Domestic Rates and Council Tax debts.
- 3.5 The Strategy ensures that careful consideration by a Senior Officer is given to the use of more severe enforcement action such as bankruptcy and committal to prison. If such action were to be proposed this must be authorised by a Group Manager.

- 3.6 In striving to continually improve collection and recovery performance, the Council recognises that some people do not pay their debts for a variety of reasons. This may include poverty or other financial hardship, which the Council will endeavor to balance against its duty to collect. The Council aims to identify those that can't afford to pay so that it can take appropriate and proportionate steps to recover outstanding debts, which will include independent debt advice and negotiation of payment arrangements.
- 3.7 The strategy aims to take a robust approach to those who can pay but won't pay, using the most effective recovery action, which will include enforcement action.
- 3.8 Where debts are irrecoverable, it is good practise to remit promptly and regularly. If at any point in the future the Council becomes aware that a debt can be collected it will reinstate where possible.

4. CONCLUSION

- 4.1 The Corporate Debt Recovery Strategy sets our organisational framework for collection and recovering debt in an effective and efficient manner ensuring greater transparency.
- 4.2 It recognises the need to take appropriate, consistent and proportionate action, and puts in place controls to ensure that more extreme enforcement action can only be taken with authority from a Group Manager.

5. IMPACT ON CORPORATE GOALS

- 5.1 This report links to the corporate goal of delivering good quality, cost effective and valued services.

6. IMPLICATIONS

- (i) **Impact on Customers** – The Strategy will ensure that the Council's debt recovery processes are clear and transparent to our customers. The fair but firm approach will protect the wider interests of Council tax payers, ensuring consistent and proportionate action is taken against those individuals and businesses that have debts to the Council.
- (ii) **Impact on Equalities** – An Equality Impact assessment has been undertaken, and has not identified any areas of concern.
- (iii) **Impact on Risk** – Having a Corporate Debt Strategy in place facilitates fair, proportionate, cost effective and consistent debt recovery and can be a point of reference when dealing with any feedback from customers, their representatives or ombudsman complaints.
- (iv) **Impact on Resources (financial)** – There are no specific financial implications associated with this strategy; however, improved process and procedures should help to improve collection and debt recovery.

(v) **Impact on Resources (human)** – None.

(vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to:

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