



Breckland District Council

Corporate Debt Management and Recovery Policy

2017/18

Financial Services

¹Document Control and History

Version Control			
Issue No.	Author	Issue Date	Reasons for Issue
²			
V1	M Bailey	8/3/2017	Update for review by A Chubbock

Approval of draft and final approval process		
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³ Revision Schedule			
Issue No.	Cycle	Job Title	Next Due

⁴ Added to Policy Register		
Yes/No	Policy Officer Signature and Date	Authors Signature and Date

¹ Track changes are to be used at all times.

² Should these be referenced by Service Area?

³ This section should be completed if policy needs to be revised before next approval process, e.g. LJCC wish to have some words amended

⁴ Once this section has all been signed this then needs to be pdf and forwarded onto the Policy Officer

⁵Removed from Policy Register		
Yes	Policy Officer Signature and Date	Signature and Date

⁵ Date of when policy has been removed from Policy Register – a good practice guide will be put in place whereby when a Policy is no longer deemed acceptable or required it will be presented at the original board just for reference.

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⁶ The contents are field updated so that when the document is complete you simply right click on the table above click on Update Field and click on numbers only.

Introduction

Effective debt management is crucial to the success of any organisation. In the current economic climate, it is essential that this authority has clear policies and procedures to manage the recovery of debt. If the Council is to achieve its aim of effective income management, then it must seek to recover all debts due, and sustain collection rates.

The policy has therefore been designed to address these aims.

Scope – Policy Aim

The key aims of this policy are as follows:

- ◆ To consider fully the debtor's circumstances in the light of their ability to pay and so endeavour to distinguish from the outset between the debtor who won't pay and the debtor who genuinely can't pay.
- ◆ To work with the client to clear the debt as soon as possible. To ensure a professional, consistent and timely approach to recovery action.
- ◆ To cost effectively pursue all debts owed to the Council, seeking to maintain and improve on the levels of income collected by the authority.
- ◆ To promote a co-ordinated approach towards sharing debtor information and managing multiple debts owed to the Council. To actively work with approved advice agencies to seek resolution where clients are failing to meet multiple debt liabilities.
- ◆ To only write debt off in accordance with the Council's write-off procedures.
- ◆ To treat individuals consistently and fairly regardless of age, gender, ethnicity, disability and sexual orientation and to ensure that individuals' rights under Data Protection and Human Rights legislation are protected.
- ◆ To ensure organisational effectiveness through good management, optimising external income and listening to local people.

This policy will be available to all internal and external stakeholders and will be on the Council's website www.breckland.gov.uk.

The main sections involved in debt recovery are Finance and Revenue Services. The debts involved are primarily:

- Council Tax
- National Non Domestic Rates (NNDR)
- Overpaid Housing Benefit
- Discretionary Housing Payments
- Enforcement Fees
- Sundry Debts

Revenue Services maintain their own debt management and recovery policy within the Anglia Revenues Partnership (ARP) and therefore this policy covers only sundry debts.

Legislation or Executive Summary

The council has a legal duty to ensure cost effective billing, collection and recovery of all sums due to the Council.

Local Taxation

Please refer to the ARP debt management and recovery policy.

Housing Benefits

Please refer to the ARP debt management and recovery policy.

Discretionary Housing Payments

Please refer to the ARP debt management and recovery policy.

Enforcement Fees

Please refer to the ARP debt management and recovery policy.

Sundry Debt

Sundry Debt arrears are collected within a well-established framework. On certain debts, interest may be charged for late payment. The debtor will be made aware of any additional costs in advance so that they have the opportunity to avoid this wherever possible. Customers will also be made aware of legal fees and costs that will be incurred for non-payment. Bailiff services may be utilised (via the ARP Enforcement service) as part of the established framework. Where possible and appropriate a charge against property may be made to safeguard collection of a debt in the future. In addition where it is cost effective the debt may be referred for legal action either internally or externally.

7 Policy Consultation and Consideration

The Finance service, Commercial Property service and Anglia Revenues Partnership (ARP) are consulted with prior to any changes to this policy.

8 Policy Statement

Full names, contact address and a phone number will be established wherever possible prior to service provision or invoicing/billing.

- All Council bills and invoices will be raised as soon as reasonably practicable and will include clear and relevant information as to:
 - What the bill is for;
 - When payment is due;
 - How to pay;
 - How to contact us if there is a query in relation to the bill or in relation to making payment.
- All letters and reminders will:
 - Explain what has been agreed and the consequences of non-payment;
 - Include appropriate contact details.
- Debtors will be encouraged to make prompt contact if they disagree with a bill or have difficulty in making payment on time. Contact can be made by:
 - Telephone
 - Letter
 - Email
 - Fax
 - In person at the Council Offices or customer service centres.
- Problems and bill discrepancies raised will be resolved as quickly as possible to prevent unnecessary delays in payment and incorrect accounting entries.

⁷ Consultation – Unison

Consideration – Equalities, Carbon Management, Health & Safety Legal and Financial

⁸ Please use ‘numbering’ for all bullet point sections.

- Debtors seeking help due to exceptional financial difficulties will:
 - Be given the opportunity to have their ability to pay assessed by the relevant collection officers;
 - Be invited to use the money and debt advice services available from the Citizens Advice Bureau (CAB);
 - Be asked if they have other debts owing to the Council that they also wish to be considered;
 - Be given access to the Council’s interpreter service if required.
- Payment Arrangements will always endeavour to collect on going liability by due dates, and make arrangements for arrears, as this will aid the debtor by reducing costs which may otherwise be incurred every year.
- Debtors given time to pay should be advised to contact the Council immediately if they experience a change of circumstances affecting their ability to pay.
- No minimum value is set for whether a debt will be pursued for collection, but the cost effectiveness of collection will be considered before instigating any action

Implementation

This policy will be made available to all staff dealing with income collection and recovery. This will be reinforced with training and management supervision of all staff involved in collecting debt.

Management Control and Organisation

The Executive Director Commercialisation (S151) has control over this policy and the Revenues & Benefits Manager (ARP) has control over their policy.

Monitoring

This policy will be managed and reviewed every three years and, from time to time, updates and re-issues will be circulated. However, the policy will be reviewed sooner if a weakness in the policy is highlighted, in the case of new risks, and/or changes in legislation.

Each department will be responsible for ensuring that this policy is adhered to and effective.

⁹Related Policies and Strategies

- ARP Debt management and recovery policy
- ARP Discretionary Housing Payment Policy and Overpayment Policy
- Write Off Procedures

¹⁰Appendices

None

⁹ Please ensure that all Policies and Strategies are current and have been approved do not make reference to any which are not, this will be the author’s responsibility. Include year of approval.

¹⁰ Appendices are to be attached at the end and only if relevant.