

Southend-on-Sea Borough Council

Agenda

Item No.

Report of Chief Executive

To

Cabinet

on

7th November 2017

Report prepared by: Joe Chesterton,
Director of Finance & Resources

Debt Collection & Recovery Policy – Revised Policy

**Policy and Resources Scrutiny Committee
Executive Councillor: Councillor Moring**

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 The purpose of this report is to inform members of the revised “Debt Collection and Recovery Policy”.

2. Recommendation

That Cabinet:-

- 2.1 Approve the revised “Debt Collection and Recovery Policy” at Appendix A.

3. Background

- 3.1 Southend-on-Sea Borough Council has undertaken a full review of the approach to debt collection to ensure a consistent level of service and collection is achieved across a range of public services. All debts across the council are included as part of the Debt Collection and Recovery Policy.
- 3.2 Following the last Debt Policy report in 2011, the implementation of Agresso ERP IT software was completed. This has now been embedded into Council business processes, which have modernised and improved the way we work in the collection of Sundry and Social Care debts. The Debt Collection and Recovery Policy is a working document to support the Agresso and other IT systems as well as procedures used across the council for collection of debts.

3.3 Key outcomes of the review:-

- Clearly define the responsibilities and accountability of each service area in the collection process.
 - Analysis of current debts to assess route cause and lessons to be learnt
 - Review of businesses processes to identify improvements to support collection
 - Ensure a consistent approach to the raising of debts across the Council
 - Ensure businesses and residents that “Can’t pay” have the support, help and advice to manage and pay their debts.
 - Ensure that businesses and residents the “Won’t pay” are managed through all available methods of collection.
 - Ensure that clear processes are followed and are evidenced prior to identification for write off.
 - The processing of write offs is carried out in a timely manner
 - Implement Debtor Fraud Initiatives.
 - Legal casework is managed effectively, and where beneficial working with our commercial partners to optimise collection.
- 3.4 The corporate project has reviewed many of the services with a view to ensuring all invoices are raised effectively and in a timely manner.
- 3.5 Austerity measures are impacting across all demographics within the borough, with this in mind the project has not only looked at improving process and streamlining collection it has also looked at what support can be offered for the residents and businesses of Southend to ensure collection of public funds can be maximised.
- 3.6 The Debt Collection & Recovery Policy (at Appendix A) will support the council to maximise income which in turn will help to support the council to sustain its services.

4. Reasons for recommendation

To accept the recommendation to approve this strategy will:-

- Present the organisation with a revised policy
- Highlighting to the service areas their responsibilities in the raising and collection of public funds.
- As part of the policy roll out we will identify areas to “Pay in Advance”
- Instil commercial awareness
- Clear guidelines for compliance
- Set Parameters to ensure the service areas work within the agreed levels of service.
- Exceptions process

5. Contribution to Council's Vision & Corporate Priorities

The revised policy will contribute towards the Council priorities of Prosperous and Excellent.

Although flexibility and support for our residents will form part of the approach we cannot be inconsistent and will follow the principle of:-

“Residents/Businesses that Can’t Pay”

Support will be a tailored support with payment arrangements and benefit support as well as signposting to other third party organisations. We will demonstrate flexibility to those residents responding to support for managing their debts.

“Residents/Businesses who won’t pay”

Clear processes to ensure speed of action by following a strict collection process through to legal debt recovery where appropriate.

This approach will ensure a positive corporate debt management approach for Southend Borough Council. Corporately Southend will be seen to be firm but fair in its long term strategy for debt collection.

This policy will embed commercial awareness and best practice to support the Council’s Vision and corporate priorities by ensuring we maximise income to support sustainable services.

6. Financial Implications

Improved collection rates, and cash flow will be the outcome of delivering, implementing and complying with the revised policy.

Efficient write off of bad and irrecoverable debts as part of the Policy, where appropriate, is good financial practice and reduces the bad debt provision and the financial impact in the Authority’s accounts.

7. Legal Implications

All legal implications have been considered, where appropriate officers with delegated powers will deal with the matter, for any matter above this level Cabinet authorisation will be required.

8. People Implications

The focus of the Policy will be on people who Can’t pay and Won’t pay. The Council will sign post and support people where needed, and pursue debt using all methods of recovery where appropriate.

9. Property Implications

The property implications have been considered and there are none relevant to this report.

10. Equalities and Diversity Implications

This policy is working under an “Equality Impact Assessment” EIA) with full consideration to the impact it may have on different demographic groups.

11. Risk Assessment

A risk assessment workshop was carried out with the output Risk register, which was a fundamental part of the on-going project.

12. Value for Money

- Accurate raising of invoices
- Speedier collection
- Better use of Enforcement Agents services
- Fraud initiative implemented
- Revision of legal services (on-going)
- Clear responsibilities and accountabilities
- Residents support package (ongoing)
- Maximisation of income collection

13. Community Safety Implications

There are no Community Safety Implications

14. Environmental Impact

There is no environmental impact

15. Background papers

None

16. Appendices

Appendix A - Debt Collection and Recovery Policy (November 2017)