

29 November 2017

Policy, Projects and Resources Committee

Corporate Sundry Debt Management, Recovery & Write-Off Policy

Report of: *Jacqueline Van Mellaerts, Financial Services Manager*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 The current Debt Recovery Policy incorporating all debts was established in 2003. This policy contains only minimal detail on Sundry Debt recovery processes which are now outdated.
- 1.2 A new, separate and comprehensive sundry debt recovery policy has been written to cover all aspects of corporate sundry debts, which includes good practice, accounting arrangements, recovery processes and the procedure to follow when considering debts for write off.

2. Recommendation(s)

- 2.1 That the Committee agrees to remove Section 6 (Sundry Debts) from the existing Debt Recovery Policy 2003.**
- 2.2 That the Committee agrees to the adoption of a new, separate corporate sundry debt management, recovery and write off policy as per Appendix A of this report.**

3. Introduction and Background

- 3.1 The current corporate Debt Recovery Policy was agreed in November 2003.
- 3.2 Most of the current policy is devoted to the procedures in place for the recovery of Council Tax and Business Rates arrears, and Housing Benefit overpayments. Corporate sundry debt recovery is briefly summarised based on contemporary working practices (Appendix B).

3.3 The 2016/17 Internal Audit of Main Financial Systems recommended that the existing sundry debt recovery policy and procedure notes be updated.

4. Issue, Options and Analysis of Options

4.1 As part of the review of the existing sundry debt recovery policy, consideration was made to current sundry debt management and recovery policies used by other local authorities.

4.2 The new, separate policy greatly expands the old Sundry Debtors section of the Debt Recovery Policy, incorporating best practice used across several authorities whilst reflecting the current successful working processes of the Corporate Debt Recovery team.

4.3 There are 3 key areas of the new policy.

- Corporate debt management – this summarises the aims, responsibilities and good practices when an invoice is raised.
- Recovery process – this explains the stages of recovery used by the council to recover sundry debts.
- Write offs – which includes reasons, procedures and authority for write offs.

5. Reasons for Recommendation

5.1 The existing debt recovery policy does not reflect current working practices and provides insufficient detail of sundry debt policy and processes.

5.2 Combining the sundry debt recovery management and write off policy into one document makes both policies easier to follow and review.

6. Consultation

6.1 None

7. References to Corporate Plan

7.1 None.

8. Implications

Financial Implications

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- 8.1 A budget will be needed to cover annual recovery costs incurred where the collection agent charges for onsite recovery. This will be found from existing resources within the Medium Term Financial Plan. The policy does allow for us to recover these costs from the customer, as well as statutory interest/ compensation on overdue payments.

Legal Implications

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- 8.2 Any legal considerations are covered in the body of the policy and report.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 None

- 9. Background Papers** (include their location and identify whether any are exempt or protected by copyright)

- 9.1 None

10. Appendices to this report

- Appendix A – Brentwood Borough Council Corporate Sundry Debt Management, Recovery & Write-Off Policy (Draft) November 2017
- Appendix B – Debt Recovery Policy (2003) - Section relating to Sundry Debtors only

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