

REPORT TO RESOURCES PDG

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF244

DATE: 25TH July 2013

TITLE:	CORPORATE DEBT MANAGEMENT FRAMEWORK	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Mike Taylor Well Run Council Portfolio Holder	
CONTACT OFFICER:	Richard Wyles – Head of Finance 01476 406210 Email: r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
Equality and Diversity	N/A	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS		

1. RECOMMENDATION

It is recommended that Resources PDG note the updated Corporate Debt Management framework.

2. PURPOSE OF THE REPORT

The Corporate Debt Management Framework was last reviewed and approved by Cabinet in 2008 and the opportunity has been taken to update the framework to ensure it remains fit for purpose and reflects the current working practices of the Council. The primary focus of the approach is to help the customer wherever possible to manage their situation in a consistent and supportive way.

3. DETAILS OF REPORT

The Corporate Debt Management Framework sets out a consistent and transparent approach to debt recovery procedures across a number of debts specifically Council Tax, Non Domestic Rates (NDR), Housing Rents, overpaid housing benefits and sundry debts.

The policy sets out the recovery timetable and steps that are taken in respect of debt recovery proceedings. In respect of local taxation debts the recovery process follows a prescribed format that ensures all outstanding amounts are enforced in a consistent way and provides for arrangements between the Council and the customer at each stage of the process. The introduction of the Council Tax support system from April 2013 has introduced customers who previously have not needed to pay any contribution towards their Council Tax. The Framework does not distinguish between customers that may owe lower amounts from those that pay the full Council Tax charge and so the recovery timescale is followed in all scenarios regardless of the amount owed. It should be noted that court costs amounting to £70 are added to the overdue amount once court proceedings commence. Further costs will then be added if the debt remains unpaid and the matter is referred to the Council's bailiffs for collection. Therefore it is possible that a relatively small debt can quickly increase once formal proceedings commence. It is there extremely important that customers make every attempt to pay any amounts due or make arrangements to repay the Council to avoid further costs being added to their account.

This scenario similarly applies to housing tenants who may be affected by the introduction of the spare bedroom subsidy from 1 April 2013. This has affected tenants who are assessed as occupying a property with bedrooms that exceed their family circumstances. As a consequence their benefit entitlement will have been reduced resulting in a need to pay a contribution towards their weekly rent. This will follow the same recovery procedure as tenants who are required to pay full weekly rental and therefore it is of similar importance that tenants contact the Council to seek advice and assistance in repaying amounts they owe to avoid any formal action being taken including the granting of a Notice of Seeking Possession.

OTHER OPTIONS CONSIDERED

None applicable

5. RESOURCE IMPLICATIONS

None applicable

6. RISK AND MITIGATION

None applicable

7. ISSUES ARISING FROM EQUALITY IMPACT ANALYSIS

None applicable

8. CRIME AND DISORDER IMPLICATIONS

None applicable

9. COMMENTS OF FINANCIAL SERVICES

Financial considerations are included in the report.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

It is important that the Council's Debt Management Framework is reviewed and updated on a regular basis to ensure it accurately reflects the Council's current working practices and, to ensure consistency of approach across the Council in the treatment of its customers.

11. COMMENTS OF OTHER RELEVANT SERVICES

None applicable

12. APPENDICES

Corporate Debt Management Framework