

## ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1.	<b>Meeting:</b>	Cabinet
2.	<b>Date:</b>	9 <sup>th</sup> June, 2010
3.	<b>Title:</b>	Corporate Debt Policy
4.	<b>Directorate:</b>	Financial Services

### 5. Summary

This report provides a copy of a Corporate Debt Policy which has been produced following a scrutiny review of debt recovery arrangements.

The Policy is presented to Cabinet for approval after consultation with relevant parties and following consideration of it by the Democratic Renewal Scrutiny Panel.

### 6. Recommendations

**Cabinet is asked to approve the attached Corporate Debt Policy.**

## 7. Proposals and Details

Following a scrutiny review of Debt Recovery arrangements, a report was presented to Cabinet for its consideration on 23 September 2009. The report included 15 recommendations for strengthening the support given to customers who owed money to the Council, developing a more 'joined up' approach to debt recovery and for alleviating some concerns regarding the use of private bailiffs in collecting Council debts.

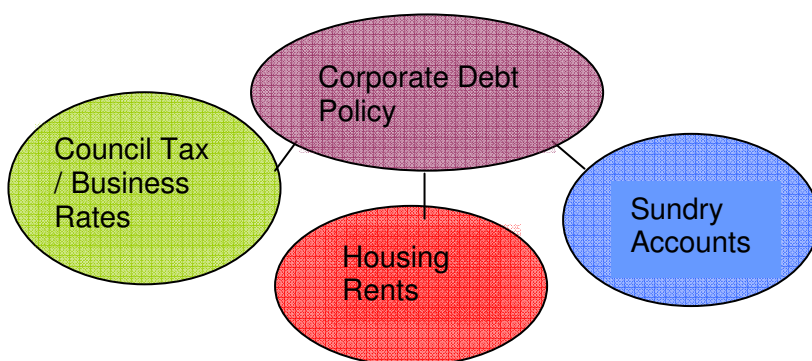
All recommendations made by the Performance and Scrutiny Overview Committee were subsequently accepted by Cabinet on 2 December 2009, and an action plan was produced for addressing the recommendations.

Two recommendations from the scrutiny review were as follows:

- *Recommendation 3 – “The corporate debt policy and other related documents are brought together to one, accessible, online policy”.*
- *Recommendation 6 – “Guidance needs to be added to the corporate debt policy detailing when debt can be transferred back to the Council from bailiffs”.*

Attached at **Appendix 1** is a corporate debt policy which is presented to Cabinet for approval. The Policy consolidates existing documents and includes information on transferring debts back to the Council, from bailiffs.

The Policy is part of a suite of 4 key documents explaining the approach and procedures relating to the collection of debt. The Policy states the over-riding principles applying to each area of debt collection. It is supplemented by three additional information notes covering the main areas of income collected by the Council, i.e. council tax and business rates, housing rents and sundry accounts, as follows:



The Corporate Debt Policy explains the Council's principles that will be applied in the recovery of all debt

The additional information notes provide more details on arrangements for collecting debts in each of the specific areas.

The Policy covers:

- Introduction and purpose of this policy
- How we will treat residents and businesses
- Ability to pay

- Arrangements for managing multiple debts
- Procedures for using bailiffs
- Standards, complaints and where to find more information.

It also provides details of advice and support services available to help residents in debt.

An initial draft Policy was produced by officers with input from a range of stakeholders, including:

- Members of the original scrutiny review panel
- Voluntary Action Rotherham: 'Advice In Rotherham'
- Citizen's Advice Bureau
- Relevant Council services
- Bailiffs.

The draft Policy was then presented to the Democratic Renewal Scrutiny Panel on 22 April 2010. The Panel was supportive of the Policy subject to two minor amendments which have now been made.

When approved, the Corporate Debt Policy will be included on the Council's website and copies and / or links made available to relevant organisations to publicise its existence.

**Cabinet is asked to approve the attached Corporate Debt Policy.**

## **8. Finance**

There are no direct financial implications associated with the production and publication of the corporate debt policy.

## **9. Risks and Uncertainties**

Lack of awareness of the Council's arrangements for recovering debt and, more crucially, the support available to residents in difficulty could result in residents unnecessarily being pursued for debt. The provision of a corporate debt policy with information about where to obtain support helps to minimise this risk.

## **10. Policy and Performance Agenda Implications**

The Council aims to implement effective and efficient debt recovery proceedings in order to maximise income and minimise the impact of non-collection on Council Tax and rent levels and service provision. The Council also aims to support all residents in financial difficulty, particularly during the current economic downturn.

The Corporate Debt Policy explains how the Council fairly balances these two objectives.

## **11. Background Papers and Consultation**

- Cabinet Report - Debt Recovery Scrutiny Review - 23 September 2009
- Cabinet Report – Response to the Debt Recovery Scrutiny Review – 2 December 2009
- Progress report to Performance and Scrutiny Overview Committee – 12 March 2010
- Democratic Renewal Scrutiny Panel – 22 April 2010

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### **Appendix:**

Appendix 1: Corporate Debt Policy