

**HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Debt Management Policy

**Meeting/Date:** Overview and Scrutiny Panel (Performance and Customers)  
- 14th June 2017

**Executive Portfolio:** Resources: Councillor J A Gray

**Report by:** Finance Manager

**Wards affected:** All Wards

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**Executive Summary:**

This is a new Debt Management Policy as there is currently not one in place. It will provide clear purpose to the Council's procedure in collection of miscellaneous debts. Research was carried out to look at best practice policies and these have been incorporated in to this new Policy.

The Council has a duty to recover outstanding debts and in doing so ensures that its processes are fair to everyone. The introduction of the Debt Management Policy will ensure that debt is minimised and rates of collection are maximised with a consistent approach.

The key aims of this policy is to maximise the level of income collected by the Council by accurate and timely billing, reducing the level of debt arising, effective and timely recovery processes and utilising the appropriate recovery method by debt type.

**Recommendation(s):**

It is recommended that the Panel reviews and comments on the new Debt Management Policy.

## **1. WHAT IS THIS REPORT ABOUT?**

- 1.1 This is a new Debt Management Policy as there is currently not one in place. It will provide clear purpose to the Council's procedure in collection of miscellaneous debts. Research was carried out to look at best practice policies and these have been incorporated in to this new Policy.

## **2. BACKGROUND**

- 2.1 The Council has a duty to recover outstanding debts and in doing so ensures that its processes are fair to everyone. The introduction of the Debt Management Policy will ensure that debt is minimised and rates of collection are maximised with a consistent approach.
- 2.2 The key aims of this policy is to maximise the level of income collected by the Council by accurate and timely billing, reducing the level of debt arising, effective and timely recovery processes and utilising the appropriate recovery method by debt type.
- 2.3 The Council is responsible for ensuring that procedures are in place for the recovery of any outstanding debt.
- 2.4 This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.
- 2.5 The term 'miscellaneous debt' is used to represent any debt other than Council Tax or Business Rates. It covers the following services:
- One Leisure
  - Operations
  - Commercial Rents
  - Licensing
  - Housing
  - Environmental Health
  - Building Control
  - Other invoicing

## **3. ANALYSIS**

- 3.1 This Policy documents the process of raising invoices and the collection of miscellaneous debts and details the standard payment terms and the days of first and final reminders. These timings are much shorter than are currently being used, but these should improve collection rates and will make Miscellaneous Debt recovery more commercialised.
- 3.2 The new Policy will expect debts to be paid in shortest time possible, improve customer contact, legal obligations to pursue outstanding debt and to collect debts in a fair and consistent manner

## **4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?**

- 4.1 The Debt Management Policy, upon approval by Council, will be implemented by communicating to all Managers.

## **5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 5.1 Upon approval, this Policy will be implemented.

## **6. LINK TO THE CORPORATE PLAN**

- 6.1 The Debt Management Policy will come under the “Ensuring we are a customer focused and service led Council delivering value for money services” aspect of the Corporate Plan, and enabling the Council to “*Become more business-like and efficient in the way we deliver services*”.

## **7. LEGAL IMPLICATIONS**

- 7.1 No legal implications are known at this time.

## **8. RESOURCE IMPLICATIONS**

- 8.1 Resource implication are noted within the report.

## **9. OTHER IMPLICATIONS**

- 9.1 No other implications are known at this time.

## **10. REASONS FOR THE RECOMMENDED DECISIONS**

- 10.1 It is recommended that Panel reviews and approves the Debt Management Policy to Cabinet.

## **APPENDICES**


APPENDIX 1 – Debt Management Policy

## **BACKGROUND PAPERS**

Working papers are held in Resources.

## **CONTACT OFFICER**

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