

WYRE FOREST DISTRICT COUNCIL

CABINET
26th June 2008

POLICY FOR SUNDRY/PROPERTY DEBTOR MANAGEMENT

| OPEN | |
|---------------------------------|--|
| COMMUNITY STRATEGY THEME | Organisational Performance |
| CORPORATE PLAN THEME: | A Well Run and Responsive Council |
| KEY PRIORITY: | Improving Efficiency and Value for Money |
| CABINET MEMBER: | Councillor John-Paul Campion |
| RESPONSIBLE OFFICER: | Head of Financial Services Ext. 2100 david.buckland@wyreforestdc.gov.uk |
| CONTACT OFFICER: | Head of Financial Services Ext. 2100 |
| APPENDIX 1 | Sundry/Property Debtor Management Policy |

1. PURPOSE OF REPORT

- 1.1 To propose a Policy for the Management of Sundry/Property Debtors for adoption by the Council attached as Appendix 1.

2. RECOMMENDATION

2.1 The Cabinet is asked to RECOMMEND to Council that:

The Sundry/Property Debtor Management Policy – June 2008, attached as Appendix 1 be adopted.

3. BACKGROUND

- 3.1 Section 9 of the Council's Financial Regulations covers income from all sources including debtor accounts. In summary, the Head of Financial Services is responsible for the overall supervision and control of all income, whilst individual Divisions have responsibility for their own debts from inception to payment or eventual write-off.

- 3.2 The Council has three main categories of debtor accounts:

- a) Housing Benefit Overpayments
- b) Sundry Debtors
- c) Property Debtors

- 3.3 Cabinet has previously approved the policy statement in relation to Housing Benefits overpayments and receives regular reports on the debt position.

- 3.4 The purpose of this report is to secure a policy approval for all other debtors, with regular Cabinet monitoring in relation to debtors to follow. The 2007/2008 year end position will be reported to the July Cabinet and six monthly reports aligned with Housing Benefits thereafter. The Housing Benefit Overpayments are the subject of a separate report on this agenda.
- 3.5 This report deals with Sundry Debtors and Property Debtors. Sundry Debtors are raised for the wide range of services that the Council provide including Commercial Trade Waste contracts, pest control and sports pitches. Property Debtors are in respect of rents, leases, licences, and service charges of Council assets including Industrial Units and other Commercial Properties; these are dealt with by Property and Operational Services.

4. KEY ISSUES

- 4.1 To ensure there is a policy for Sundry/Property Debtor Management, approved by Members and a debtor position statement is reported to the Cabinet on a six monthly basis, based on the following key extracts summarised from the attached Appendix.

Each Division is responsible for obtaining the necessary prompt payment for the service provided. When all means of obtaining payment of the debt have been exhausted, each Division must instruct the Head of Legal and Democratic Services on the type of legal action required to recover the debt and provide documentary evidence and further information to assist in the effective recovery of the debt. Guidance is provided to the Divisions on the procedure for recovery of monies owed to the Authority in the "Sundry Debt Procedure Document" listed under Legal Services on the intranet.

- 4.2 Procedures are in place to closely monitor Sundry and Property Debtors. This includes weekly and monthly reports on debts outstanding provided by Financial Services to relevant Divisions, regular dialogue and debt monitoring meetings. A small number of performance indicators are also reported and these are being reviewed and added to from 2008/2009.
- 4.3 All debts are actively pursued, with any requests for write-off being prepared in accordance with Council procedures as a last resort. Examples of the recovery action taken include:
- Agreements to pay by the debtor. This includes arrangements to pay by instalment
 - Debts referred to the Council's Legal Services to action

The recovery action taken is determined in accordance with the circumstances of each case.

- 4.4 The monitoring of the Council's debts is an integral part of the Comprehensive Performance Assessment (CPA). It impacts on the authority's Use of Resources assessment (key line of enquiry 3 – Financial Standing) and the outgoing External Auditors KPMG recommended Cabinet receive reports, particularly on collection of income and recovery of arrears which will follow in July.

5. FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications associated with this report.

6. LEGAL AND POLICY IMPLICATIONS

6.1 To ensure that Sundry/Property Debtors Management Policy is approved by Council.

7. RISK MANAGEMENT

7.1 If action is not taken to manage Sundry/Property Debts on a timely basis, the likelihood of full recovery is reduced. Procedures and controls are in place to reduce the risk.

8. CONCLUSION

8.1 The formal adoption of the Sundry/Property Debtor Management Policy and the Cabinet reporting of the Sundry/Property Debtor position on a six monthly basis from July 2008 will provide members with useful management information on debt monitoring. This will also match the reporting process for Housing Benefits Overpayments achieving a more consistent approach.

9. CONSULTEES

9.1 CMT.

10. BACKGROUND PAPERS

10.1 Sundry Debt Procedure Document.

10.2 Housing Benefit Overpayment Cabinet Reports.