

WYRE FOREST DISTRICT COUNCIL

SUNDRY/PROPERTY DEBTOR MANAGEMENT POLICY

Introduction

Debtor Management ensures that the Council effectively manages income collection and the prompt recovery of arrears. Property Debtors in respect of rents, leases, licences, and service charges, are raised by the Property and Operational Division. Sundry Debtors are raised by all Divisions for the wide range of services the Council provides.

Each Division is responsible for the prompt receipt of all income due for the services they provide and ensuring the necessary action is taken to secure payment. 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.

To facilitate this process the Council monitors all categories of income collection and recovery of arrears, based on the age profile of debt.

Purpose

It is essential that Wyre Forest District Council demonstrates that it undertakes the administration and recovery of debts efficiently and effectively and by doing so it

- Provides revenue for the Authority and reduce the loss from bad debts
- Reduces any loss of public funds
- Deters fraud and error
- Demonstrates the Authority's commitment to accuracy
- Provides a quality service to customers

The aims of this policy are:

- To be a guide to all staff involved, and
- To set out a clear and prompt debt recovery strategy

The policy will be published on the Council's website and be subject to regular monitoring to ensure it remains in accordance with the approved vision for the Authority.

At six monthly intervals, the Accountancy Section will report to the Cabinet the debtor position. The report will analyse the debts between less than and more than 6 months old, for those debts more than 6 months old a detailed position will be reported of the action being taken.

As recommended in the Comprehensive Performance Assessment (CPA) Use of Resources, Local Performance Indicators have been set to improve the level of recovery with the objective of reaching and maintaining continuous improvement in the management of debt recovery.

Procedure for Debt Management

The Accountancy Section will provide each Division with a comprehensive list of all its outstanding debts, as soon as possible after month end, analysed by the usual time criteria:

- Debts up to 3 months old
- Debts 3 to 6 months old
- Debts 6 to 12 months old
- Debts 12 to 24 months old
- Debts more than 24 months old

Debtor management meetings will be held on a regular basis with Divisions to ensure that appropriate debt management procedures are undertaken. The procedure for recovery of monies owed to the Authority is detailed in the "Sundry Debt Procedure Document" listed under Legal Services on the intranet. http://intranet/divisions/legal_dem/legal_section/general/sundry.html

Divisions must refer to this policy document to ensure that the procedures for debt management and the recovery of outstanding debt are followed.

Writing off the Debt

As a last resort the debt will be considered for write off in accordance with Council's procedures.

Examples of the reasons for a debt being passed for write-off are where there is no realistic prospect of recovery:

- The debtor has left without trace
- The debtor is deceased and there are insufficient funds with which to discharge the debt
- The debtor has become bankrupt, or has insufficient assets and no likelihood of acquiring them
- All recovery options, including legal action, have been exhausted with no result

The relevant Head of Service must submit their reasons in writing to the Head of Financial Services for such action. The Head of Financial Services is authorised to write off debts up to the value, in each case, of £1,500, and the Cabinet is authorised to write off debts in excess of this figure.

The Head of Financial Services has the delegated authority to write off all debts where instructed by the Insolvency Practitioner or Official Receiver in respect of Business Rates, Council Tax and Debtors.

Further details on the management of income are included in the Financial Regulations April 2007 listed under Policies and Employees on the intranet. http://intranet/policies_employees/finregs/finregs.html

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