

# Cabinet



Forest Heath  
District Council

<b>Title of Report:</b>	<b>West Suffolk Sundry Debt Management and Recovery Policy</b>	
<b>Report No:</b>	<b>CAB/FH/15/035</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	14 July 2015
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<b>Purpose of report:</b>	To create a Joint Sundry Debt Management policy reflecting revised practices that have been adopted in this area as a result of Shared Services across Forest Heath and St Edmundsbury Councils and the implementation of the Agresso Financial Management system.	
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that, the Cabinet approves the policy as set out at Appendix A to Report No CAB/FH/15/035.</b>	
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<i>The decisions made as a result of this report will usually be published within <b>48 hours</b> and cannot be actioned until <b>five clear working days of the publication of the decision</b> have elapsed. This item is included on the Decisions Plan.</i>		
<b>Consultation:</b>	N/A	
<b>Alternative option(s):</b>	Continuing with two separate policies would not be appropriate given the shared financial management system that has been implemented. A policy is needed in this area in order to make clear to customers what entering into agreements with the councils entails	

<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>Maximise income from non-statutory services,</li> <li>Reduce write-offs</li> <li>Improve cash flow</li> </ul>	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> <li>Training and awareness and detailed guidance support this policy</li> </ul>	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>This is a revised policy and its adoption will ensure consistency across the West Suffolk authorities.</li> </ul>	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>A screening EqIA has been carried out (see Appendix C)</li> </ul>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Risk of new policy not being implemented by staff	Low	Training and guidance given to staff	Low
Risk of not collecting debt	Medium	Monthly debt reports distributed to SMT/LT members	Low
Risk of need of additional resource to support the debt recovery process	Low	Agresso performs a large part of the work. Regular review of the Councils outstanding Sundry Debt	Low
<b>Ward(s) affected:</b>		All	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		Appendix A - Policy Appendix B - Flowchart of procedures Appendix C - EqIA	

## **1. Key issues and reasons for recommendation(s)**

### **1.1 Purpose of document**

The purpose of the document attached at Appendix A is to set out the policy in relation to the invoicing, collection and recovery of sundry debts across West Suffolk. The policy is supported by an updated flowchart of the sundry debt process (Appendix B).

- 1.2 The policy document replaces the previous policies of the two councils by bringing them together into a single document, and updating the content to reflect the changes introduced by the single financial management system. This policy excludes the activities and debt of the Council through its revenues and benefits services by Anglia Revenues Partnership – this is the subject to a separate policy.
- 1.3 The new draft also places greater emphasis on pre-payment for services using online methods, in light of the Councils' channel shift agenda and proposed roll out of more self-service payment options.
- 1.4 The councils operate a decentralised process of debt management i.e. responsibility is delegated to the originating service and it is therefore essential to operate clear and common practices across all council services.
- 1.5 The Finance Team will have an advisory role with regard to queries and also produce monthly debtor reports. The Legal Team will pursue debts where the originating service has already exhausted all possibilities open to them.
- 1.6 Reports run from the Agresso Financial Management system show that a total of £5.9m was invoiced in 2014/15. Sundry debt at the end of March 2015 totalled £0.7m.

## **2. Policy aims**

The aims of this policy are as follows:

- to ensure that debts are managed in accordance with legislative provisions and good practice;
- to maximise income collected by the councils;
- to ensure a professional, consistent, cost effective and timely approach to recovery action across all of the councils' services; and
- customers' circumstances and ability to pay are fully taken into account so as to distinguish between the customer who won't pay and the customer who genuinely can't pay.
- to minimise debtors outstanding over 30 days, and therefore the need for bad debt provisions, and actual debt write offs.