

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	West Suffolk Sundry Debt Management and Recovery Policy	
Report No:	CAB/SE/15/039 [to be completed by Democratic Services]	
Report to and date:	Cabinet	23 June 2015
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Purpose of report:	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.	
Recommendation:	It is <u>RECOMMENDED</u> that the West Suffolk Sundry Debt Management and Recovery Policy, contained in Appendix A to Report No: CAB/SE/15/039, be approved.	
Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.)	Is this a Key Decision and, if so, under which definition? Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:	Not applicable	
Alternative option(s):	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.	

Implications:			
Are there any financial implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The policy aims to <ul style="list-style-type: none"> • Maximise income from non-statutory services, • Reduce write-offs • Improve cash flow 	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> • Training and awareness and detailed guidance support this policy 	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> • 	
Are there any legal and/or policy implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • This is a revised policy and its adoption will ensure consistency across the West Suffolk authorities. 	
Are there any equality implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • A screening EqIA has been carried out (see Appendix C) 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
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
Ward(s) affected:		All	
Background papers:		None	
Documents attached:		Appendix A - West Suffolk Sundry Debt Management and Recovery Policy Appendix B - Flowchart of procedures Appendix C - Equality Impact Assessment	

1. Key issues and reasons for recommendation(s)

1.1 Purpose of document

- 1.1.1 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 Forest Heath District and St Edmundsbury Borough Councils (West Suffolk). The policy is supported by an updated flowchart of the sundry debt process (Appendix B).
- 1.1.2 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 of a separate policy (see Report No: CAB/SE/15/038 contained elsewhere on this Cabinet agenda.)
- 1.1.3 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.
- 1.1.4 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.
- 1.1.5 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.
- 1.1.6 Reports run from the Agresso Financial Management system show that a total of £12.7m was invoiced in 2014/15. Sundry debt at the end of March 2015 totalled £2.2m.

2. Policy aims

2.1 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.