

**AUDIT COMMITTEE  
20 MARCH 2018:**

**DEBT COLLECTION POLICY – REVISED MARCH 2018**

**Cabinet Member** Cllr Peter Hare-Scott, Cabinet Member for Finance  
**Responsible Officer** Jo Nacey, Group Manager for Financial Services

**Reason for Report:** To present the Committee with the updated Debt Collection Policy for approval

**RECOMMENDATION:**

**That the Audit Committee recommends to the Cabinet that the updated Debt Collection Policy and associated Appendices be approved.**

**Relationship to Corporate Plan:** Having effective and compliant Debt Recovery Procedures in place is essential to protect the Council's income and to ensure that outstanding debts are recovered in an appropriate manner with reference to the new Debt Recovery Protocol.

**Financial Implications:** Failure to recover debt effectively may result in financial loss to the Council.

**Legal Implications:** Potential breach of the Pre-Action Protocol for Debt Claims which came into effect on 1 October 2017.

**Risk Assessment:**

- i. Failure to recover outstanding debts may impact on the Council's ability to deliver services.
- ii. Failure to follow the Protocol may lead to the Council being sanctioned by the courts and may lead to both ability to recover a debt being compromised and also the reputation of the Council being damaged.

**1.0 Introduction**

- 1.1 The Debt Collection Policy was last updated and approved by the Audit Committee in 2014.
- 1.2 In October 2017, a Pre-Action Protocol for Debt Claims was made by the Master of the Rolls as Head of Civil Justice. It came into force on 1 October 2017.
- 1.3 The Protocol describes "the conduct the court will normally expect of those parties prior to the start of proceedings". It included a template Information Sheet and Reply Form which is attached as part of the Appendices to this report.

- 1.4 The Protocol is intended to sit alongside our debt collection regime and as such our Legal Department has reviewed it to ensure we are aware of any new requirements and that we are compliant.
- 1.5 The purpose of this report is to update the Policy to ensure it reflects the new Protocol and that the procedures are clear and concise for managers to follow.

## **2.0 Revisions**

- 2.1 The revisions to the Policy have been highlighted in Track Changes and mainly reflect changes to job titles and the removal of procedures which are repeated in the Appendices.

## **3.0 Conclusion**

- 3.1 It is important that Group Managers and those charged with collecting debt on behalf of the Council are aware of the revised procedures and that they remain compliant with the process to optimise our ability to recover debts successfully.

**Contact for more Information:** Jo Nacey, Group Manager for Financial Services ext 4254

**Circulation of the Report:** Cllr Peter Hare Scott and Management Team