

CORPORATE RECOVERY POLICY

Cabinet Member(s): Cllr Andrew Moore, Cabinet Member for Finance
Responsible Officer: Andrew Jarrett - Deputy CEO & S151, Dean Emery – Corporate Manager of Revenues, Benefits & Recovery, Fiona Wilkinson – Principal Revenues & Benefits Officer

Reason for Report: To bring in an updated policy that identifies where responsibility for collection of different debts lies and sets out the principles and standards in relation to contact, recovery process, repayments and benefit / money advice. The current policy was last reviewed in 2018.

Recommendation: Cabinet approves the revised policy.

Financial Implications: The policy will help to enforce and recover c£82m in local taxation and sundry debts. Failure to use a consistent approach could have a detrimental effect on budgets and delivery of services.

Budget and Policy Framework: The policy sets the framework for a consistent and sensitive approach to collecting debt, whilst at the same time ensuring that the Council continues to maximise income collection and arrears recovery performance.

Legal Implications: This policy should ensure that each debtor is treated fairly and minimises the risk of legal challenge.

Risk Assessment: There is a potential reputational risk should the policy not be adhered to.

Equality Impact Assessment: See Appendix 2.

Relationship to Corporate Plan: Maximising income for the Council is essential, particularly during current financially challenging years. It is important to have a policy that is clear and transparent to ensure any recovery action is timely and proportionate.

Impact on Climate Change: There is no known impact.

1.0 Introduction/Background

- 1.1 The existing policy was approved in 2018.
- 1.2 A full review of the policy has been carried out by officers to reflect any legal changes and to better reflect the economic times and resources.
- 1.3 The Council's Financial Regulations provide the framework for managing the authority's financial affairs and contribute to good corporate governance, internal control and the management of risks.

2.0 Review

- 2.1 Over the last few months officers have been looking at widening the policy to take into account best practice and to better reflect current economic pressures.
- 2.2 New legislation is due to come into force in May 2021 called 'Breathing Space', as such policy and procedures need to be aligned.

3.0 Findings

- 3.1 Each service has different formats for gathering details of income and expenditure when considering the terms to settle debts. A 'common financial statement' would provide a consistent and fair approach.
- 3.2 The procedures for each service are subject to different legislation and do not necessarily change at the same time.
- 3.3 The policy should be clearer when recovering 'multiple debt'.
- 3.4 Greater focus is required on 'financial vulnerability' and vulnerability in general.
- 3.5 The need for an agreed priority debt repayment based on the risk to customers also helps officers collect.

4.0 Outcomes

- 4.1 The Corporate Recovery policy has been created to take the above findings into account.
- 4.2 The procedures for each service will be reviewed with regards to a more formal corporate approach and maintained by a central team. Procedures will be maintained via a 'knowledge centre'.
- 4.3 Policy aligns with a more robust approach to 'financial vulnerability'.

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Circulation of the Report: Cllr Andrew Moore, Cabinet, Leadership Team, Corporate Management Team

List of Background Papers: Corporate Recovery Policy and EQIA Appendix 2