

<b>28 June 2011 /6 July 2011</b>		<b>ITEM 8</b>
<b>Corporate Overview and Scrutiny Committee</b>		
<b>Cabinet</b> (with feedback from Corporate Overview and Scrutiny Meeting of 28 June 2011)		
<b>CORPORATE FAIR DEBT POLICY</b>		
<b>Portfolio Holder:</b> Cllr P Smith, Central Services		
<b>Wards and communities affected:</b>	<b>Key Decision:</b>	
All	Yes	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Martin Hone, Director of Finance & Corporate Governance		
This report is public		
<b>Purpose of Report:</b> To seek verification from the Corporate Overview and Scrutiny Committee to refer the aforementioned policy back to Cabinet.		

Comment [sj]: PLEASE CLICK THIS BOX ONCE and enter the date of the meeting (in font 16, not capitals)

Comment [sj]: Please leave this for completion by Democratic Services

Comment [sj]: PLEASE CLICK THIS BOX ONCE and enter the name of the Committee you are reporting to (in font 16, not capitals)

Comment [sj]: PLEASE CLICK THIS BOX ONCE and enter the title of your report (in font 16)

Comment [sj]: Please state the name of the Cabinet Member and the Portfolio to which the

Comment [sj]: Please enter details of any Wards and Communities affected by the

Comment [sj]: Yes/No/Not Applicable – a 'Key Decision' is generally one affecting more

Comment [sj]: Please state the Head of Service's name and job title

Comment [sj]: Please state Director's name and job title

Comment [sj]: State whether your report is Public or Exempt. If Exempt (i.e. not to be given to

Comment [sj]: Briefly set out the purpose of your report

Comment [sj]: Please provide a summary of the key points in your report

Comment [sj]: The recommendations should be set out in bold in the form of the

Comment [sj]: You should briefly explain why the report is on the agenda - See para. 5.3 and 5.4

**EXECUTIVE SUMMARY**

Cabinet on the 8 June 2011 agreed that the policy document required further refinement before being presented as a complete full working document.

A decision was therefore taken to bring this document to the Corporate Overview and Scrutiny Committee, before taking it back to Cabinet for approval on the 6 July 2011.

**1. RECOMMENDATION:**

**1.1 That the Overview and Scrutiny Committee agree the new Corporate Fair Debt Policy, which will then be taken back to Cabinet on 6 July 2011 for final approval.**

**2. INTRODUCTION AND BACKGROUND:**

2.1 This report introduces a revised policy document, following the feedback from the Cabinet meeting on the 8 June 2011. Officers of the Council have revised the Policy and worked very closely with the Chair of the Overview and Scrutiny Committee. In addition, they have also taken comments from the Portfolio Holder before making the necessary amendments in revising the policy being presented.

2.2 As agreed at the last meeting of the Cabinet, the policy:

- Is consistent with other Council policies in its treatment of customers
- Includes separate guidance on recovery procedures for each type/class of debt
- Includes a policy for dealing with vulnerable people
- Makes use of all available options to collect from those who seek to avoid paying their debts
- Demonstrates that debtors experiencing genuine difficulties will be assisted where possible
- Shows how the Council will make early contact with debtors
- Ensures that each debtor is treated fairly and as an individual and with compassion in those cases where genuine financial difficulty is being experienced

### 2.3 **Monitoring Compliance with the Policy**

The Business and Strategic Development Manager from the Finance and Corporate Governance directorate attends monthly meetings with the Council's Strategic Partner, Vertex. These meetings monitor how complaints have been dealt with, particularly relating to specific matters such as the recovery of Council Tax and Non Domestic Rates. Specific cases are also discussed and this can ultimately lead to changes in processes and policy.

### 2.4 **Managing the new policy**

The Corporate Director of Finance and Corporate Governance (the "S151 Officer") will hold a quarterly meeting with those senior officers of the Council, whose services are covered by the new Corporate Fair Debt policy. This will ensure that the Council maintains a consistent approach in how debt is dealt with across all the relevant services. The policy will be treated as a "living document" so any changes will be made and agreed with Members as deemed necessary.

In addition to the above, there is a monthly Performance Board Meeting, which discusses those areas which are managed by Vertex on behalf of the Council. It is proposed that the Fair Debt Policy will feature as an ongoing standing agenda item.

### 2.5 **Further planned initiatives**

As part of ongoing developments, with the aim of maximising the Council's revenue, the Director of Finance and Corporate Governance has been tasked with developing existing systems to enable customers to pay for more types of debt by direct debit and/or in advance of receiving Council services. This will enable the Council to manage its various services more efficiently.

At the same time, the Council is working to drive down the costs of income management as part of its wider transformation programme. In June, the Cashier facilities at the Civic Centre and other Council offices will be withdrawn. They will be replaced by a new payment service, whereby customers can pay their Council Tax, sundry debtor bills and continue to pay their Council Rent at over 90 local shops and Post Offices across Thurrock. This will reduce the cost of cash handling, while providing customers with a more convenient service.

In addition, the Council is putting processes in place to encourage payment in advance for services (e.g., nursery fees) to avoid customers falling into arrears.

**3. ISSUES AND/OR OPTIONS:**

3.1 Most types of debt are collected by the Council's Strategic Partner, Vertex. However, parking enforcement and rent arrears are dealt with separately by officers in Sustainable Communities and Community & Well Being. The Fair Debt Policy reflects the views of Cabinet that these separate arrangements should continue, provided that all collection procedures comply with the overarching policy.

**4. CONSULTATION (including Overview and Scrutiny, if applicable)**

4.1 The consultation to agree the action plan was carried out by the Task & Finish Group and included officers from the Council, officers from Vertex, the Citizens' Advice Bureau and local Members of Parliament. The initial report has been to the Corporate Overview & Scrutiny Committee and the draft policy (attached at Appendix 1) has been approved by Director's Board.

**5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

5.1 In addition to the actions already completed, future planned actions include:

- Upgrades to the Council's financial systems
- Further initiatives to increase the take-up of direct debit by Council customers
- The appropriate use of committal, bankruptcy and charges on properties
- Continuing to develop robust working relationships with partners such as the CAB and Credit Union, and support them in their work with vulnerable residents

**Comment [s]:** Other headings may be appropriate. The report should outline the reasoning that leads to its recommendations and **must** include:

1. a brief summary of options considered;
2. consultation outcomes
3. a risk assessment.
4. Whether the responsible cabinet members have been consulted/contributed to the report (NB professional and political advice must be clearly distinguished)

- See para.5.5 of the report writing guidelines.

**Comment [j]:** This should include any consultation with Ward Members and Shadow Portfolio Holders, as well as any public or statutory consultation

**Comment [a]:** Please refer to Section 5.7 of the Report Writing Guidelines

6. **IMPLICATIONS**

6.1 **Financial**

Implications verified by: **Martin Hone**  
 Telephone and email: **01375 652412**  
**mhone@thurrock.gov.uk**

Financial implications are set out in the body of the report. The efficient collection of debts due to the Council is a major part of the Council's overall financial strategy and its planned transformation of business services in the next few years.

6.2 **Legal**

Implications verified by: **David Lawson**  
 Telephone and email: **01375 652087**  
**dlawson@thurrock.gov.uk**

This review takes into account the need to recover all monies efficiently, whilst responding to a diverse population. It also provides an additional bulwark against the risk of procedural challenge under equality, human rights and Protection from Harassment Legislation, during individual enforcement actions. At this stage there are no direct legal implications.

6.3 **Diversity and Equality**

Implications verified by: **Samson DeAllyn**  
 Telephone and email: **01375 652472**  
**sdealyn@thurrock.gov.uk**

The Council is under a statutory duty to ensure that policy and strategy decisions give due regard to equality issues. The work of the Task & Finish Group has included recommendations which give consideration to both equal treatment of customers and the needs of vulnerable people, through developing closer working relationships with agencies such as the Citizens' Advice Bureau and the provision of support to customers who are in arrears with the Council. In this context, the review may improve equality of treatment within the debt recovery process. Any policy amendments will need to be subject to an Equality Impact Assessment. This will ensure the equality duty and the requirement to impact assess relevant policy decisions is fully met through the Overview and Scrutiny policy review process.

7. **CONCLUSION**

7.1 The Corporate Fair Debt Policy at Appendix 1 is a key deliverable arising from the recent work of the Debt Service Review.

**Comment [sj]:** This section should always be completed – if they are dealt with fully in another part of the report, they also need a brief cross reference here. The names and job titles of the officers providing the implications should be provided in full – see Guideline 6.1 and please note Democratic Services Deadlines and ensure that officers providing implications are given 5 clear working days to work on the report. Authors can write implications but they must be signed off by the appropriate officers

**Comment [sj]:** See Guideline 6.2

**Comment [sj]:** See Guideline 6.3

**Comment [sj]:** See Guideline 6.4

**Comment [sj]:** This should inform the recommendations in the report

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT:**

- None.

**Comment [sj]:** See Guideline 8. If any Papers are to be placed in the Members room that relate to this report, you should also list them here

**APPENDICES TO THIS REPORT:**

- **Appendix 1: Fair Debt Policy**

**Comment [sj]:** List the Appendices referred to in the Report

**Report Author Contact Details:**

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**E-mail:** mhone@thurrock.gov.uk

**Comment [sj]:** Insert the full contact details of the author of the report

