

REPORT FOR DECISION



REPORT TO:	CABINET
DATE:	18 DECEMBER 2013
SUBJECT:	CORPORATE DEBT POLICY
REPORT FROM:	DEPUTY LEADER and CABINET MEMBER FOR FINANCE & CORPORATE AFFAIRS
CONTACT OFFICER:	MIKE OWEN, EXECUTIVE DIRECTOR OF RESOURCES
TYPE OF DECISION:	KEY
FREEDOM OF INFORMATION/STATUS:	The report is for publication.
SUMMARY:	<p>The report presents Members with a Corporate Debt Policy for their consideration. The draft Policy is intended as a statement on how the Council and Six Town Housing will work with its customers and partners to collect debts from customers.</p> <p>It has been developed with the assistance of Bury District Citizens Advice Bureau to ensure that there is a clear and consistent approach across the Council and 6TH to dealing with people in debt.</p> <p>The Policy also demonstrates that the Council will take all steps to ensure that those who have the means to pay do pay and those individuals/families in genuine crisis receive the targeted help and support they need.</p> <p>Also attached to the report is an Appendix showing three case studies that have been prepared during a trial of the draft Policy and which demonstrate clearly the benefits arising from having a consistent and targeted approach to debt management.</p>

<p>OPTIONS & RECOMMENDED OPTION</p>	<p>Option 1 - to approve the introduction of the draft Corporate Debt Policy with immediate effect.</p> <p>Option 2 - to reject or amend the draft Policy</p> <p>Option 1 is the recommended option in order to ensure that the Council and 6TH collect debts owing promptly, effectively and economically, whilst ensuring fair treatment to all debtors.</p>
<p>IMPLICATIONS:</p>	
<p>Corporate Aims/Policy Framework:</p>	<p>Do the proposals accord with the Policy Framework? Yes</p>
<p>Statement by the S151 Officer: Financial Implications and Risk Considerations:</p>	<p>In order to maximise income for the provision of services, Bury Council's Corporate Debt Approach will ensure that we collect debt owing promptly, effectively and economically, while ensuring fair treatment to all debtors.</p>
<p>Statement by Executive Director of Resources:</p>	<p>It is essential that the Council adopts clear and consistent approaches to dealing with people who may have multiple debts with the Council and 6TH and that we also ensure that targeted and effective help is available to those who need it. This is not only the most equitable way to deal with potentially vulnerable people, it is also good practice for the effective management and collection of debts.</p>
<p>Equality/Diversity implications:</p>	<p>A comprehensive Equality Impact Assessment has been completed.</p>
<p>Considered by Monitoring Officer:</p>	
<p>Wards Affected:</p>	<p>All</p>
<p>Scrutiny Interest:</p>	<p>Overview and Scrutiny Committee</p>

Chief Executive/ Senior Leadership Team	Cabinet Member/Chair	Ward Members	Partners
Yes	Yes		
Scrutiny Committee	Committee	Council	
No	18/12/13		

1.0 BACKGROUND

- 1.1 The Council has formalised the policy for a number of key reasons.
- 1.2 It is essential that all monies due are collected effectively by the Council in the most efficient way and that debt owed to the Council is kept to a minimum. This is because the Council has both a legal duty and a responsibility to its citizens to make sure that income due is paid promptly.
- 1.3 With the significant challenges of the welfare benefit reform and the declining economy it is critical that we manage the risks and protect business revenue. It is essential that all income is collected as effectively and efficiently as possible to ensure we have the resources needed to deliver the valuable services required.
- 1.4 The Council recognises that early intervention and professional debt advice is an important element of the Government’s Anti-Poverty Strategy. This policy promotes working with partners to help customers move towards self sufficiency and independency. Whilst recognising that some people will need support with new demands of managing online claims, maintaining monthly budgets and assisting those who may be unable to access mainstream financial services.
- 1.5 Transparency is vital in maintaining public confidence, supporting our communities and empowering our people. It means helping people to understand what is expected of them and what they should expect from the Council. It also means explaining clearly the reasons for taking any recovery action and promoting ways to prevent this in the future, but also making sure we are working together to support our most vulnerable.
- 1.6 Having a Corporate Debt Policy is not only good practice, it is now essential that we are working together to provide a clear and consistent approach which promotes efficiency in the collection of debt. The policy makes sure that every customer is treated equally and fairly and supported through these changing times. It also ensures that every customer in debt is able to access advice and support, affordable lending facilities and employment opportunities.
- 1.7 The Corporate Debt Policy will make sure we are effectively working together to support our customers, promoting positive cultural changes to reduce dependency and helping to maintain and protect the Councils and Six Town Housing’s cash-flow.

2.0 CONCLUSIONS

- 2.1 Information about the effectiveness of the Council's policy will be used to carry out reviews at regular intervals. This includes ensuring the 'crisis approach' encompasses the right customers and consideration of its effectiveness in helping solving debt problems.
- 2.2 In future monitoring, it will be important to assess the effectiveness of the policy in bringing to light cases of hardship and responding to them sensitively, the effect on the collection of money owed and the effect on the workload of the advice agencies
- 2.3 All outcomes in relation to debts reduced, income maximised and increased dependency will be captured, monitored and reported on. As well as measuring the success of a corporate debt approach this will also help to identify future risks and mitigate against the impacts.

**COUNCILLOR JOHN SMITH
DEPUTY LEADER/CABINET MEMBER FOR FINANCE AND CORPORATE AFFAIRS**

List of Background Papers:-

None

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