

**DEBT RECOVERY POLICY**

|                                 |                   |
|---------------------------------|-------------------|
| Relevant Portfolio Holder       | Cllr Geoff Denaro |
| Portfolio Holder Consulted      | Yes               |
| Relevant Head of Service        | Amanda Singleton  |
| Ward(s) Affected                | All               |
| Ward Councillor(s) Consulted    | None Specific     |
| Key Decision / Non-Key Decision | Key Decision      |

**1. SUMMARY OF PROPOSALS**

- 1.1 This report sets out a revised Debt Recovery Policy.
- 1.2 The revised recovery policy aims to balance the needs of the Council to recover payment and supporting those who are struggling to pay.
- 1.3 The policy takes into account the needs of vulnerable people particularly those with mental health problems.
- 1.4 The policy enables us to take a holistic approach to debt collection, ensuring that we recover priority debts, and those of the greatest value to the Council first.

**2. RECOMMENDATIONS**

**Cabinet is asked to RESOLVE that**

- 2.1 The revised Debt Recovery Policy be adopted with immediate effect.**

**3. KEY ISSUES**

**Financial Implications**

- 3.1 The Council must maximise the recovery of outstanding debts and as such a clear and robust recovery policy is required, setting out the steps that can be taken in the pursuit of debt recovery.
- 3.2 The current collection rates are good and are used as a measure of the success of the procedures in place for the recovery of debts.
- 3.3 In 2015/16 the council collected:
  - 98.06% of Council Tax
  - 98.46% of Non Domestic Rates.

**Legal Implications**

- 3.4 Debt recovery is undertaken in accordance with all relevant legislation.

**Service / Operational Implications**

- 3.5 The purpose of this policy is to set out a framework within which employees of Bromsgrove District Council will make decisions on the appropriate courses of recovery action.
- 3.6 The policy, while primarily aimed at staff, will also provide information to advice agencies on the processes applied by Bromsgrove District Council when dealing with the recovery of Council Tax, Non-Domestic Rates, Sundry Debts and Housing Benefit Overpayment.
- 3.7 Bromsgrove District Council has a legal duty to ensure cost effective billing, collection and recovery of all sums due to the Council.
- 3.8 The revised policy aims to provide a fair and flexible approach taking into account the Council's purposes and the operational principles in respect of debt recovery. There are no significant changes to the existing policy which would impact on overall debt recovery, or the pathways available, rather it aims to provide a more holistic platform and to enable a more empathetic approach in respect of vulnerable people.

**Customer / Equalities and Diversity Implications**

- 3.9 The policy will ensure all tax, ratepayers and debtors are treated fairly and objectively.
- 3.10 Officers have worked with the CAB in the production of this policy and will be working closely with relevant VCS organisations to ensure that appropriate payment plans are put in place and that we support customers who are actively engaged in working with us or partner organisations to improve their financial independence

**4. RISK MANAGEMENT**

- 4.1 Failure to collect debts would have a negative impact on the Council's finance but debt recovery needs to be fair and appropriate to the value of the debt.

**5. APPENDICES**

Debt Recovery Policy

**6. BACKGROUND PAPERS**

Held in Revenues Service

**AUTHOR OF REPORT**

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