

19 May 2021



Title	Corporate Debt Policy
Purpose of the report	To make a decision.
Report Author	Roy Tilbury
Cabinet Member	Councillor Sati Buttar
Confidential	No
Corporate Priority	Financial Sustainability
Recommendations	Cabinet is asked to: Approve the Corporate Debt Policy.
Reason for Recommendation	<p>The Corporate Debt Policy has been compiled to consolidate the recovery process for all services areas within Spelthorne Borough Council.</p> <p>This policy formulates a corporate process for all invoices raised for the Council and brings together a corporate approach in relation to the collection of invoices raised, and the recovery processes that will be used to secured payment.</p>

1. Key issues

- 1.1 To maintain a robust process bringing together all services into one corporate debt policy. The types of debts within Sales Ledger amongst others Asset Management to Garden Waste/Meals on Wheels, to Housing Needs Bed and Breakfast accommodation etc, currently there is an ongoing arrears balance of £1. 2 million at the end of March 2021. Ongoing recovery action is being taken monthly for all debts including the collection of Council Tax with ongoing arrears balance of £2.5 million, National Non-Domestic Rates with ongoing arrears balance of £3.8 million as of the 31st of March 2021, and BID accounts.
- 1.2 We are aware many of our residents are under more financial pressures because of the impacts of Covid-19. We do need to protect Council Taxpayers; financial interests, and at the same time equally to be sensitive around vulnerable people and be aware that as from the 4th of May 2021 the implementation of Breathing Space comes into force.
- 1.3 Breathing space will give someone in problem debt the right to temporary legal protections from creditor action while they receive debt advice to enter an appropriate debt solution. The statutory debt repayment plan (the plan) will enable someone in problem debt to enter a statutory agreement to repay their

debts to a manageable timetable. Individuals entering a plan would receive legal protections from creditor action for the duration of their plan.

- 1.4 This will require a more corporate cross cutting approach to identify all debts across the organisation.

2. Options analysis and proposal

- 2.1 A balance needs to be achieved by protecting vulnerable person(s) as to how the Council can improve collection of its outstanding debtors, this policy brings together clear guidance as to how all service areas can have a corporate approach to debt collection.
- 2.2 The draft policy has been drawn up following extensive consultation with a range of internal Council departments. It is recommended that the policy be approved.

3. Financial implications

- 3.1 Greater control over managing money owed to the Council and the debts it is collecting on behalf of third parties (such as Surrey County Council, Surrey Police, Central Government)

4. Other considerations

- 4.1 To protect the Council, it needs to be able to evidence that it has clear procedures for approaching debt recovery, including with respect to achieving a balance between robustly pursuing its debtors and not incurring expenditure chasing debts which may not be recoverable or where the cost of the recovery process exceeds the value of debt.

5. Timetable for implementation

- 5.1 The Corporate Debt Policy should be implemented once approved and reviewed on a three-year cycle.

Background papers:

Appendices:

Appendix 1 - Corporate debt policy