

BUCKINGHAMSHIRE COUNTY COUNCIL

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CORPORATE DEBT MANAGEMENT STRATEGY

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1.0 THE PURPOSE OF THE CORPORATE DEBT MANAGEMENT STRATEGY

1.1 Effective debt management is an important element of being a well-managed organisation. This Strategy has been designed to support the maximisation of debt collection in an effective and fair manner.

1.2 The Council has formalised the Strategy to:

- Provide a clear structure that allows all those involved in debt collection to adopt a consistent and timely approach
- Pursue all debts owed to the Council ensuring that those with means to pay do so
- Manage debts in accordance with legislation and best practice
- Be considerate of all customers and in particular those customers who are experiencing genuine financial hardship
- Keep write off levels to a minimum

1.3 Debt is defined as any amount of Council income that has not been paid by the due date. All Council bills and invoices will be raised as soon as practicable and should be clear to the customer what the invoice is in relation to and include all necessary supporting information. For example, the invoice will include the following information:

- What the invoice/bill is for and the period it relates to
- Proof of pre-determined agreement to pay where relevant
- When the payment is due
- How to pay
- Who to contact for further information or advice

1.4 This Strategy covers all debts owed to the Council. Examples include:

- Legal costs
- Penalty Charge Notices (parking contraventions)
- Adult & Family Wellbeing services fees
- Planning and Building control fees
- Rental income
- Sales etc

1.5 This Strategy applies to all Portfolios [Business Units]. All staff will adhere to the Strategy and different services [Business Units] will work together when appropriate to ensure that customers and the Council's needs are met.

2.0 KEY PRINCIPLES

2.1 It is very important to the Council that it is able to collect income due to it. This helps the Council to pay for the services it delivers and any non-payment ultimately impacts on service levels. The Council does however

recognise that customers can and do occasionally experience financial difficulties.

2.2 Portfolios [Business Units] will run their SAP Aged Debt reports on a monthly basis and make sure that proactive action is taken to recover all outstanding debt.

2.3 The Council will collect debts fairly and consistently from customers and organisations. We aim to adhere to some key principles when collecting debt.

- Recover all debts due to the Council in a timely manner
- Comply with the Council's Think Customer standard
- Ensure all correspondence is clear and written in plain English
- Make it easy for customers to pay and contact us
- Actively pursue debtors that refuse to pay and take enforcement action in line with any appropriate legislation
- Encourage early contact and signpost to debt advice and support agencies if appropriate
- Maximise benefit entitlement by offering advice to maximise income for our clients
- Work with customers in debt, or at risk of getting into debt, to set payment arrangements that they can afford
- Ensure that all Council Services work together to recover multiple debts if appropriate
- Review any agreed payment arrangements periodically to ensure the debt is manageable and being paid
- Encourage self help
- Where recovery action has to take place, explain the process to the customer and ensure that the customer understands the process and their obligations

2.4 Default payment terms are 30 days and therefore service areas should make every effort to ensure that all debts are collected promptly. However, if the debt remains outstanding for more than 90 days, then the debt will automatically be referred to the Shared Services Business Unit for recovery unless there is a very good reason why the debt remains outstanding. The Service [Business Unit] will be charged an administration fee for this service.

3.0 **CUSTOMER CARE**

3.1 Signposting to other agencies is an important part of debt collection. Many organisations offer free confidential advice to customers to help them to prioritise their debt and often arrange payment plans with their creditors. Some agencies are detailed below:

Citizens Advice Bureau www.citizensadvice.org.uk
0844 826 9713

Local offices:

2 Pebble Lane, Aylesbury, Bucks HP20 2JH
8 Easton St, High Wycombe, Bucks HP11 1NJ
Barn Hall Annexe, Chiltern Ave, Amersham, Bucks HP6 5AH
Wheeldon House, Market Hill, Buckingham, Bucks MK18 1JX

The National Debt Helpline www.nationaldebtline.co.uk
0121 410 6230

Consumer Credit Counselling Service www.direct.gov.uk
0800 138 1111

Business Debt Line www.bdl.org.uk
0800 197 6026

Age UK www.ageUK.org.uk
0800 169 6565

4.0 **HOW THE COUNCIL WILL OPERATE THE STRATEGY**

- 4.1 Legislation and Regulations are in place for recovery of debts and these vary according to the debt itself. The Council will comply with the correct enforcement process for each type of debt.
- 4.2 The attached appendix details the specific recovery processes for:
- *Portfolio [Business Unit] specific Debt Management Strategies will be added once developed*
- 4.3 Wherever possible, the service should be fully paid for prior to delivery, thus reducing the cost of collection. Current examples of pre-paid services include parking permits, licences and Blue Badges.
- 4.4 Penalty Charge Notices are administered under the Traffic Management Act 2004 and instructions for debt collection are provided by The Department for Transport. The enforcement process is governed by the document 'The Operational Guidance to Local Authorities: Parking Policy and Enforcement'. This can be found at:
<https://www.gov.uk/government/publications/operational-guidance-to-local-authorities-parking-policy-and-enforcement>
- 4.5 All staff will adhere to the Strategy. Staff will work together corporately to ensure that when customers have multiple debts, the debts are prioritised and affordable payment arrangements are made.
- 4.6 The level of outstanding debt will be reported to Cabinet on a quarterly basis.

5.0 **RIGHT OF APPEAL AND COMPLAINTS**

- 5.1 Officers have to make decisions regarding the most appropriate action to take and the reasons why. If the customer disagrees with our decision they have the right of appeal.
- 5.2 Appeals should be made in writing by post or e-mail and considered by the Service [Business Unit] management. Customers should explain the reason for the appeal and provide as much information as possible for consideration.
- 5.3 The original decision will be reviewed within 7 days and the customer will receive a written response. The response will either uphold the original decision or revise the decision.
- 5.4 The Corporate Complaints procedure allows for formal complaints to be made if a customer is not satisfied with the standard of service.
- 5.5 In the event that the complainant remains dissatisfied after the Council has investigated the complaint, the complainant may make a further complaint to the Local Government Ombudsman.

6.0 DATA PROTECTION AND FAIR PROCESSING

- 6.1 The Council will comply with the Data Protection Act 1998 at all times and will adhere to Buckinghamshire County Council policies:
 - BCC Data Protection Policy
 - BCC IT Internet & Email Policy
 - BCC IT Security Policy
- 6.2 Data may be shared between services [Business Units] within the Council in order to ensure that a customer's debt is managed corporately if appropriate.
- 6.3 The Council take part in data matching exercises as part of work to assist in the prevention and detection of fraud. Data matching involves comparing sets of our data against other records held by the Council or other bodies to see how far they match. Data matching allows potentially fraudulent claims, reductions and payments to be identified. Where a match is found it indicates that there is an inconsistency that requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out. The processing of personal information by the Council for data matching exercises is carried out in accordance with the Data Protection Act 1988; specifically under section 29 of that act. This means the Council does not require the consent of the individuals concerned.

7.0 REVIEW AND CONTINUOUS IMPROVEMENT

- 7.1 The Strategy will be reviewed annually. Any changes in legislation and any new ways of working will be incorporated as required.

7.2 BCC will strive to make continuous improvements to the collection and enforcement of debt. This will be achieved by:

- Promoting a co-ordinated approach to debt collection
- Sharing good practice
- Setting consistently high standards
- Providing staff with clear procedures supported by training
- Using and building upon the technology available to us
- Encouraging partnership working with external agencies such as the Citizens Advice Bureau

8.0 PROVISION FOR WRITE OFF

8.1 Having a robust Corporate Debt Management Strategy in place ensures that only the minimal amounts of debt need to be considered for Write Off.

8.2 Debts under £5,000 can be written off by the relevant Service Director [Managing Director or Finance Director]. Debts over £5,000 must be written off by the relevant Service Director, the Director of Assurance and the Monitoring Officer.

8.4 Tracing agencies will be used to search for debtors where contact has not been possible.

8.5 Before being considered for write-off, debts may be referred to a debt collection agency in order to maximise the income that the County Council can recover.

8.6 Debts are only written off if they deemed to be irrecoverable, and it can be demonstrated that every effort was made to recover the debt or it is uneconomical to recover. Examples are as follows:

- The debtor is bankrupt
- The debtor has died with no estate

8.7 In instances where a write off has taken place, should the debtor be subsequently traced, the debt will be written back on and action to collect any balance will be taken.

8.8 For Bad and Doubtful Debt Provisions, the recommended provision levels must be based on the following for non-secured debts, unless information is available about specific debts or customers. Where this is the case, the justification for the basis of the provision must be recorded in the working papers for the accounts.

Age of Debt	Provision
Up to 6 months	No provision
6 months – 12 months	25% of outstanding debt

12 months – 18 months	50% of outstanding debt
Over 18 months	100% of outstanding debt

- 8.9 Bad and Doubtful Debt provision will be reviewed on a regular basis and the Service [/Business Unit] will update its budget monitoring position to reflect the likely movement in the provision.

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