



Policy, Finance and Development Committee	Tuesday, 28 March 2023	Matter for Decision
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Report Title: **Corporate Debt Policy (March 2023)**

Report Author(s): **Bev Bull (Head of Finance / Deputy Section 151 Officer)**

Purpose of Report:	To present a revised Corporate Debt Policy for Oadby and Wigston for approval by Policy, Finance and Development Committee. The Corporate Debt Policy was last updated and approved in June 2015. Financial Regulation 22.1 requires that the Council shall have a policy for recovery approved by the Chief Finance Officer and the Policy, Finance and Development Committee.
Report Summary:	In September 2022 this Committee gave consideration of a report to provide an update on the Corporate Debt Policy and to consult Members on changes to be considered for inclusion in the revised Policy. This report presents a revised Corporate Debt Policy following further consideration of the changes taking into account the committees' comments.
Recommendation(s):	That the revised Corporate Debt Policy be approved.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2845 tracy.bingham@oadby-wigston.gov.uk Bev Bull (Head of Finance / Deputy Section 151 Officer) (0116) 257 2649 bev.bull@oadby-wigston.gov.uk Rashpal Sohal (Finance Manager) (0116) 257 2705 rashpal.sohal@oadby-wigston.gov.uk Jon Owst (Revenues & Benefits Manager) (0116) 257 2859 jon.owst@oadby-wigston.gov.uk
Strategic Objectives:	Our Council (SO1) Our Economy (SO3)
Vision and Values:	Accountability (V1) Respect (V2) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	OWBC collects a substantial amount of income each year, including £5m from Housing, £38m from Council Tax, and £12m from Business Rates. Of this around £12m belong to OWBC, with the remainder

	shared between other precepting authorities. The Corporate Debt Policy determines how this income is collected.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Regulatory Governance (CR6) Failure to Respond to a Significant Incident (CR7)
Equalities and Equalities Assessment (EA):	The implications are as set out at Appendix 1. No EA assessment.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	Oadby and Wigston Borough Council Corporate Debt Policy (2015)
Appendices:	1. Revised Corporate Debt Policy (2023)

1. Background

- 1.1 The level of income collected by Oadby and Wigston District Council ("OWBC") on behalf of ourselves and other precepting authorities is significant, with £38m collected in Council Tax, £12m through Business Rates, and £5m through Housing. The amount available for OWBC is around £12m, across its two revenue accounts: the General Fund and the Housing Revenue Account.
- 1.2 The purpose of the Corporate Debt Policy ("the Policy") is to set out OWBC's approach to collecting and recovering debt owed to us by businesses and residents.
- 1.3 This not only promotes efficiency, effectiveness and consistency in the collection of debt in a sensitive manner, it is an essential requirement to ensure the maximisation of revenue streams to provide resources which the Council needs to deliver services.
- 1.4 The council must also meet legislative requirements in respect of income collection and has an obligation to collect on behalf of other precepting authorities. The Police and Fire Authorities have dependency upon Council Tax collection, and Central Government and the Fire Authority retain a proportion of Business Rates income.
- 1.5 The methods for billing and recovery of statutory debts are tightly prescribed by statute and our policy and practices must take these legislative requirements into account.
- 1.6 In September 2022 this Committee gave consideration of a report to provide an update on the Policy and to consult Members on changes to be considered for inclusion in the revised Policy.

2. Update on Changes and Improvements

- 2.1 A number of areas where the approach could be changed and improved were presented to this Committee at its meeting on 26 September 2022. The Committee decided that the Council's approach to debt recovery ought to be as consistent, pragmatic and flexible as far as reasonably possible, and that particular care be taken in terms of the charging of proportionate rate of interest on debts so that it does not unfairly affect debtors' overall ability to pay. The Committee also suggested that provision be made for ratepayers to make payments on account.
- 2.2 The Corporate Debt Recovery group considered each of the areas for change taking into account the Committees comments. The outcome and the impact on the revised policy are detailed below.
- 2.3 Consideration will be given to charging interest on debts with lengthy arrangements. It has been confirmed this is an option available to the Council, however in most cases the complexity of implementing it would mean the costs would outweigh any financial gain to the Council, whilst adding to the financial hardship of the debtor. It may still be considered in exceptional circumstances. No amendment has been made to the policy to state that the Council will charge interest as it will not do so under normal circumstances.
- 2.4 Consideration will be given to establishing a periodic review of payment arrangements once in place, so that they remain appropriate as customer circumstances change. This is not being implemented at this point due to the administrative burden of delivering the change. This relates to arrangement that are in place and are being adhered to, currently if a customer contacts the Council due to a change in circumstance and require a review of a payment arrangement, this is undertaken. No amendment has been made to the policy.
- 2.5 Consideration will be given to utilising repayment holidays for customers depending on their situation. This is not suitable for housing debt but could be considered for Council Tax and Business Rates in certain circumstances. This is not being implemented at this point due to administrative burden of delivering. No amendment has been made to the policy.
- 2.6 Consideration will be given to allowing payment arrangements prior to the issue of a court summons depending on the circumstances of each case. This is included in the revised policy.
- 2.7 It is proposed that the use of income and expenditure forms is standardised across OWBC to provide consistency of decision making and facilitate the sharing of information between departments. This is being implemented where it is appropriate and references to the standard income and expenditure form is included in the policy.
- 2.8 Consideration will be given to the inclusion of legal costs where cases proceed beyond the liability order stage to further recovery such as charging orders or liquidation proceedings. Fixed legal costs will be recovered and recovery of full litigation costs will be considered on a case-by-case basis. The policy states that it will recover all costs/fees that are legitimately due unless not in the public interest.
- 2.9 The revised Corporate Debt Policy is included at **Appendix 1**. This reflects the changes outlined in 2.3 to 2.8 and minor amendments to correct and update information.
- 2.10 It is proposed that the Corporate Debt Recovery group, which includes officers from Finance, Revenues and Benefits, Housing, and Environmental Health and Licensing will continue for the purpose of providing oversight and ensuring continued consistency across OWBC in the recovery of all debts.