



**Corporate Policy and
Resources Committee**

**Thursday 17 September
2020**

Subject: Debt Management Policy

Report by:

Assistant Director of Operational and Commercial
Services

Contact Officer:

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Purpose / Summary:

This report seeks to clarify the Council's policy
relating to debt management of all the Council's
debts.

RECOMMENDATION(S):

The Corporate Policy and Resources Committee members approve;

1. The Debt Management Policy
2. That minor policy changes be authorised by the Section 151 Officer under delegated powers.

IMPLICATIONS

Legal:

Each service is required to use their own specific legislation as detailed below:

Council Tax	Local Government Finance Act 1992 Local Government Finance Act 2012 The Council Tax (Administration and Enforcement) Regulations 1992 (as amended) West Lindsey District Council – Council Tax Support Scheme
Business Rates	Local Government Finance Act 1988 Local Government Finance Act 2012 The Non Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (as amended)
Sundry Debts	The Late Payment of Commercial Debts Regulations 2002 The Late Payment of Commercial Debts Regulations 2013 The Late Payment of Commercial Debts (Interest) Act 1998
Housing Benefit Overpayments	Housing Benefit Regulations 2006 Housing Benefit (Pension Credit) Regulations Council Tax Benefit Regulations 2006 (Up to 31.3.13)

Financial : FIN-58-21-CC

West Lindsey District Council has a legal duty to ensure the prompt and cost effective billing, collection and recovery of all sums due to the Council.

Efficient debt management is essential to the council to provide the financial resources required to provide services for the benefit of local residents and businesses. This policy aims to ensure that a fair and consistent approach is taken when collecting any sums that are not paid when due and it will ensure that before any recovery action is taken against an individual that their particular circumstances are considered at each stage in the process.

Staffing :

None directly resulting from this report

Equality and Diversity including Human Rights :

-

It is important that all taxpayers are treated fairly and the council seeks to collect all monies that are properly due. An equalities impact assessment is attached at Appendix A.

Data Protection Implications :

None arising from this report

Climate Related Risks and Opportunities :

None arising from this report

Section 17 Crime and Disorder Considerations :

None arising from this report

Health Implications:

None arising from this report

Title and Location of any Background Papers used in the preparation of this report:

Local Government Finance Act 1992 -

<https://www.legislation.gov.uk/ukpga/1992/14/contents>

Local Government Finance Act 2012

<https://www.legislation.gov.uk/ukpga/2012/17/contents/enacted>

The Council Tax (Administration and Enforcement) Regulations 1992 (as amended)

<https://www.legislation.gov.uk/uksi/1992/613/contents/made>

West Lindsey District Council – Council Tax Support Scheme

<https://www.west-lindsey.gov.uk/my-services/benefits/help-to-pay-council-tax/council-tax-support-reduction-scheme-regulations/>

Local Government Finance Act 1988

<https://www.legislation.gov.uk/ukpga/1988/41/contents>

The Non Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (as amended)

<https://www.legislation.gov.uk/uksi/1989/1058/contents/made>

The Late Payment of Commercial Debts Regulations 2002

<https://www.legislation.gov.uk/uksi/2002/1674/contents/made>

The Late Payment of Commercial Debts Regulations 2013

<https://www.legislation.gov.uk/uksi/2013/395/contents/made>

The Late Payment of Commercial Debts (Interest) Act 1998

<https://www.legislation.gov.uk/ukpga/1998/20/contents>

Housing Benefit Regulations 2006

<https://www.legislation.gov.uk/uksi/2006/213/contents/made>

Risk Assessment :

There are no risks associated with this policy. It aims to draw all the Council's debt service policies into one document and to ensure that a fair and consistent approach is taken when collecting any sums due to the Council that are not paid when due.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Executive Summary

The Council currently has two debt recovery policies covering Council Tax and Sundry Debts, but is also responsible for collecting Business Rates and Housing Benefit Overpayments.

As the Sundry Debt Policy was reviewed during the annual audit process, it seemed prudent to review the Council Tax Policy at the same time and also to consider the other two services which currently do not have a debt management policy in place.

This new Debt Management Policy aims to include all four services in one policy.

The services included are:

- Council Tax
- Business Rates
- Sundry Debts
- Overpaid Housing Benefit

1 Introduction

- 1.1 The Council currently has a Council Tax Debt Recovery Policy and Procedures and a Sundry Debt Recovery Policy which explain the process for debtors who have failed to make payments as requested.
- 1.2 Following a recent Internal Key Controls Audit, a recommendation identified considering reviewing the Sundry Debt Recovery Policy.
- 1.3 Whilst reviewing this policy a review of the Council Tax Debt Recovery Policy was also undertaken.
- 1.4 The Council also collects Business Rates and Housing Benefit Overpayments, it was noted during the policies review that no current Debt Management Policy exists for these services.
- 1.5 One Debt Management Policy to cover all four services was deemed the most practical solution rather than holding four separate policies.
- 1.6 This policy covers all recovery activity relating to:
 - Council Tax
 - Business Rates
 - Sundry Debts
 - Overpaid Housing Benefit

2 The Policy (see Appendix A)

West Lindsey District Council has a legal duty to ensure the prompt and cost effective billing, collection and recovery of all sums due to the Council.

Efficient debt management is essential to the council to provide the financial resources required to provide services for the benefit of local residents and businesses. This policy aims to ensure that a fair and consistent approach is taken when collecting any sums that are not paid when due and it will ensure that before any recovery action is taken against an individual that their particular circumstances are considered at each stage in the process.

The aim is to ensure that council payment defaulters have their debts collected in accordance with relevant legislation and with the least possible charges being incurred by them.

3. Court Action Taken During 2019/20

Court hearings in respect of Council Tax and Business Rates is undertaken on a monthly basis. For Sundry Debts and Housing Benefit Overpayments this action is only taken to obtain payment as a final resort because other methods of payment can be used without the

need for a liability order. The table below illustrates the action that was required to be taken during 2019/20.

Service	Number of Properties at 31.3.20	Number of Accounts on system at 31.3.20	Court Action Taken during 2019/20
Council Tax	43,865		2,432
Business Rates	2,916		104
Sundry Debts		590	0
Housing Benefit Overpayments		1,627	0

4. Appendices

- A. Debt Management Policy
- B. Equalities Impact Assessment