

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance
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Relevant Executive Member:	Executive Member for Finance and Governance
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Submitted to:	Single Member Executive
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Date:	20 March 2024
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Title:	Corporate Debt Management Policy
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Report for:	Decision
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Status:	Public
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Strategic priority:	Vulnerability
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Key decision:	Yes
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Why:	Decision(s) will have a significant impact in two or more wards
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Subject to call in?:	Yes
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Why:	non urgent report
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Proposed decision(s)
<p>That Single Executive approve the amendments to the Corporate Debt Management policy to be implemented from 1st April 2024.</p> <p>That delegated authority to approve any future minor revisions/modifications is provided to the Director of Finance to reflect revisions to statutory guidance to the policy.</p>

Executive summary
<p>The report outlines the proposed amendments to the existing Corporate Debt Management policy to incorporate the recently updated Financial Procedure Rules following the approval of the refreshed Council Constitution: Agenda for Council on Monday 18th September, 2023, 6.00 pm Middlesbrough Council</p>

and to address some inconsistencies and presentational issues that require minor amendments to the policy.

The minor amendments include:

- The inclusion of the Welfare Support & Debt Write off policy links;
- The removal of the reference to Section 21.5 (under the heading 'Writing off of Debt') and replaced with 'in accordance with the Council's Financial Procedure Rules as contained in the Council's constitution [Agenda for Council on Monday 18th September, 2023, 6.00 pm | Middlesbrough Council](#)
- The inclusion of the Debt Write Off policy link under the heading of 'Writing Debts Off'.

Purpose

1. To incorporate the Council's updated Financial Procedure Rules following the approval of the refreshed Council Constitution:
2. To carry out minor policy wording and updating of references/links to address some inconsistencies and presentational issues within the policy.

Recommendations

3. That Single Executive approve:
 - i. The inclusion of the Council's updated Financial Procedure Rules following the approval of the refreshed Council Constitution: [Agenda for Council on Monday 18th September, 2023, 6.00 pm | Middlesbrough Council](#)
 - ii. The updates to the policy wording and minor amendments which include;
 - An update of the Welfare Support & Debt Write off policy links;
 - The removal of the reference to Section 21.5 (under the heading 'Writing off of Debt') and replaced with 'in accordance with the Council's Financial Procedure Rules as contained in the Council's constitution (with link to the Constitution)
 - The inclusion of the Debt Write Off policy link under the heading of 'Writing Debts Off'.
 - iii. Delegated authority to approve any future minor revisions/modifications is provided to the Director of Finance to reflect revisions to statutory guidance to the policy.

Rationale for the recommended decision(s)

4. The policy is a key decision that impacts on two or more wards and as such requires Executive approval.

5. To include the Council's updated Financial Procedure Rules following the approval of the refreshed Council Constitution as outlined in the Executive Summary.
6. The report contains only minor amendments to reflect the updated Financial Procedure Rules and does not have a larger impact on the overall budget or policy framework and therefore meets the criteria for Single Executive approval.
7. The minor amendments ensure that the inconsistencies and presentation issues are addressed and result in no changes to the threshold to services and support provided.
8. 3-yearly reviews uphold good practice within democratic processes and enables the refreshed policy to maintain visibility with the Executive.
9. Delegated authority to the Director of Finance to approve future minor modifications to the policy will maintain service operation levels. As a working policy, failure to keep pace with new legislation leaves the Council at risk and can result in inconsistent practices.

Background and relevant information

10. The objective of the Corporate Debt Management policy is to ensure all income due to the Council is collected promptly, efficiently, and effectively in order to optimise the Council's financial position.
11. The policy applies to all debts and income owed / due to the Council and enables the Council to have 'one view' of all Council debt that is managed and controlled centrally. All Directorates must operate in accordance with this policy.
12. All Directorates must follow this policy to allow the Council to maximise the collection of debts and income by using a co-ordinated approach and by having due regard to the customer's ability to pay.
13. This is the 2nd of 4 policies developed which bring together a significant number of supporting arrangements which enhance the Council's social regeneration plans.
14. There are links to the Council's 'Stop the Knock' approach, where the aim is to reduce the number of cases sent to the external enforcement agent by improving debt collection practices.
15. This policy also seeks to address other matters such as credits and how these will be offset with other debts across the Council, pre contractual checks to ensure any monies owed to the Council are addressed, and the insertion of a new contractual provision which allows sums owed to the Council to be offset.

Other potential alternative(s) (and why these have not been recommended)

16. Do nothing – however if the policy is not updated it would not be reflective of the updated Financial Procedure Rules as contained in the Council's Constitution.

Impact(s) of the recommended decision(s)

Financial (including procurement and Social Value)

17. Implementation of the revised Debt Management policy will be achieved within existing budgets. The policy's overall objective is to ensure efficient and effective collection of all income due to the Council and prompt recovery of debt in order to optimise the Council's overall financial position.
18. Debt will only be written off, in line with the Debt Management and Write off policies, when it is determined to be irrecoverable or uneconomic to recover after all possible measures have been taken to recover the debt.

Legal

19. The Council has a statutory duty to collect outstanding debt in accordance with the Council's Financial Procedure Rules, which is not limited to, the following legislation:
 - Local Government Act 1972
 - Local Government Finance Act 1988 and 1992 - Council Tax (Administration and Enforcement) Regulations 1992 and Non-Domestic Rating (Collection and Enforcement) Local Lists Regulations 1989
 - Housing Benefit General Regulations 1987 and 1992
 - Traffic Management Act 2004
 - Care Act 2014 and Statutory Guidance Annex D.
20. There are no other legal implications around this policy.

Risk

21. The review of the Debt Management policy ensures that there is adequate governance in place to comply with all relevant legislation and the Council does not breach governance requirements or fail to deliver organisational priorities (Risk 08-054).
22. With a 3-yearly review the Council continues to effectively review and amend the policy to comply with legislative changes (Risk 08-055).

Human Rights, Public Sector Equality Duty, and Community Cohesion

23. There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equity law.

Climate Change / Environmental

24. There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.

Children and Young People Cared for by the Authority and Care Leavers

25. The policy does not differentiate between any cared for children or care leavers or any other resident and therefore has no impact on children and young people cared for by the Authority and Care Leavers.

Data Protection / GDPR

26. The collation and use of personal data will be managed in accordance with the Council’s Data Protection policy and the Debt Management Privacy Notice [Privacy notice - Debt Management Respite Scheme \(Breathing Space\) | Middlesbrough Council](#)

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
The Debt Management policy will be updated as outlined above, subject to Executive approval. Publish updated policy and information on the Council’s website by 31 March 2024.	Janette Savage	31 March 2024

Appendices

- Appendix 1 - Debt Management Policy**
- Appendix 2 - Initial Imp Assessment Debt Management Policy**

Background papers

No background papers were used in the preparation of this report.

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