

CORPORATE DEBT RECOVERY POLICY 2024

1.0 EXECUTIVE SUMMARY

- 1.1 This report introduces an update to the Policy.

Policy Review

- 4.13 Regular policy review ensures alignment with organisational goals and legislative requirements, with revisions submitted to elected members for approval. Changes to detailed procedures are approved by officers in line with good practice, ensuring policy effectiveness and responsiveness to evolving needs.

5.0 CONCLUSION

- 5.1 The Corporate Debt Policy of Argyll and Bute Council reflects a commitment to responsible debt management, customer support, and organisational effectiveness. By adhering to the outlined principles and recommendations, the Council can ensure equitable treatment of customers, maximise debt recovery, and uphold its financial obligations while considering individual circumstances. Regular review and adaptation of the policy will be essential to address emerging challenges and align with organisational goals and legislative requirements.

6.0 IMPLICATIONS

- 6.1 Policy: Updated Policy for the Recovery of Corporate Debt and a Vulnerability and Hardship Protocol
- 6.2 Financial; Aim is to maximise income due to the Council and minimise bad and doubtful debt.
- 6.3 Legal: All Debt Recovery activities will be undertaken in line with current legislation under the Council Tax Administration and Enforcement Scotland Regulations 1992 as amended, the Bankruptcy and Diligence Act Scotland 2017 as amended and regulations related to debt prescription.
- 6.4 HR: Two temporary Sundry Debt Recovery Officers are in post for 18 months to work through the backlog of uncollected Sundry Debt and proactively recover new debt,
- 6.5 Fairer Scotland Duty:
- 6.5.1 Equalities EqSEIA complete and available on the website at [Equality and Socio-Economic Impact Assessments | Argyll and Bute Council \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/equality-and-socio-economic-impact-assessments)
- 6.5.2 Socio-economic EqSEIA complete and available on the website at [Equality and Socio-Economic Impact Assessments | Argyll and Bute Council \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/equality-and-socio-economic-impact-assessments)
- 6.5.3 Islands, EqSEIA complete and available on the website at [Equality and Socio-Economic Impact Assessments | Argyll and Bute Council \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/equality-and-socio-economic-impact-assessments)
- 6.6 Climate Change: None
- 6.7 Risk: First time we will be proactively engaged in the recovery of Social Care debt. This will be tackled sensitively but there is a risk that some vulnerable

citizens may be impacted. We will always seek details of support workers, power of attorney etc where appropriate and necessary.

- 6.8 Customer Service: More protection for vulnerable customers than in the past from standard Debt Recovery activity in relation to Council Tax through joined up working with Argyll and Bute Citizens Advice Bureau and Bute Advice Centre.
- 6.9 The Rights of the Child (UNCRC): None

Executive Director/Section 95 Officer – Kirsty Flanagan
9 July 2024

Policy Lead for Finance and Commercial Services - Councillor Ross Moreland

APPENDICES

Appendix 1 Corporate Debt Recovery Policy

Appendix 2 Argyll and Bute Council Vulnerability and Hardship

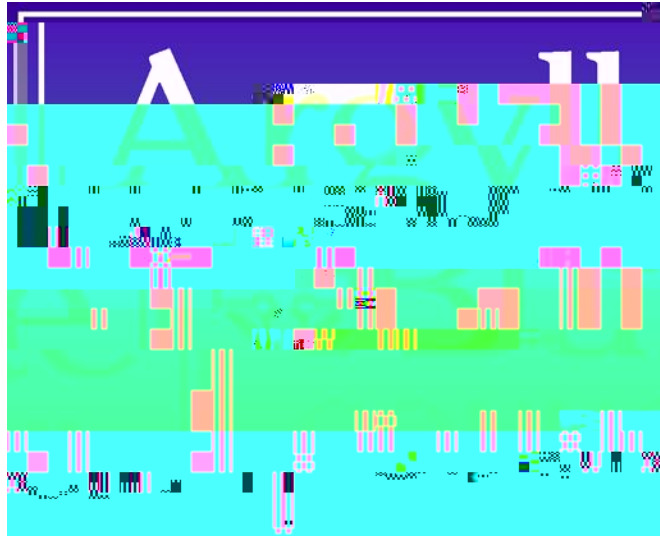
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APPENDIX 1 – CORPORATE DEBT RECOVERY POLICY



particular, our policy has effective and efficient debt collection at its core but alongside equitability.

Policy Objectives

8. The Council has a legal duty to ensure cost effective billing, collection and recovery of all sums due to the Council. The Council is committed to delivering the highest level of customer service and supporting citizens and businesses as much as we can. Within this context, the key policy objectives that will guide the Corporate Debt Policy are:
- to operate in a fair and equal way when recovering debt;
 - to seek to address debt issues as early as possible with a strong emphasis on arrears prevention in order to minimise overall indebtedness and improve collection rates across all debt categories;
 - to ensure that customers have a clear understanding of their responsibility to pay and the associated consequences of deliberate non-payment especially when they are able to pay;
 - to work in partnership with customers and their representatives to agree realistic payments based on their circumstances;
 - to ensure that all council staff and council appointed debt collection agents and sheriff officers work together efficiently and effectively and provide a single co-ordinated approach in dealing with council debtors;
 - to support debtors in becoming reliable payers in the future through referral to appropriate advice agencies;
 - to ensure that all debtor accounts are accurate
 - where appropriate debtors will be advised of relevant benefit entitlements or tax and business rates reductions
 - to ensure that all customer engagements are in accordance with the

Governance

Roles and Res0 governance

high-quality, fast learning and continuously improving corporate debt

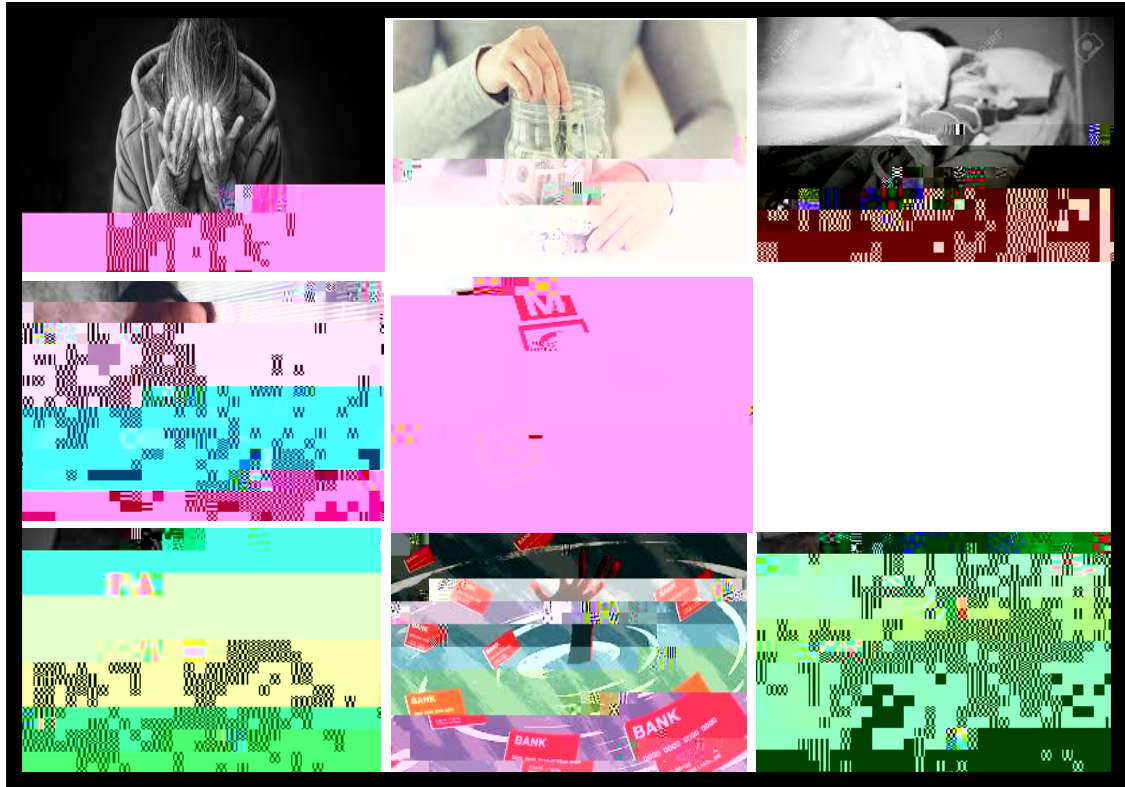
- Accounts in liquidation or sequestration
- Prescribed debt of time barred accounts
- Miscellaneous category covering any other case where there are good reasons for doing so having regard to the relative level of the debt and the prospects and costs with securing payment.

23. Once appropriate authorisation has been received, the write offs should be returned to the Corporate Debt Team, who will ensure that the relevant systems are updated and accounts adjusted for write-off.

24.

Version v0C 8th July
2024

APPENDIX 2 – ARGYLL AND BUTE COUNCIL VULNERABILITY AND HARDSHIP PROTOCOL



A Protocol for Considering Vulnerability and Hardship

*Version 0a
Date: June 2024
Approved By: Fergus Walker*

We will also regard the following groups to be at some risk of vulnerability, People with:

- chronic gambling problems,
- chronic alcohol or drug dependency issues
- significant other debts

entitlement, we will seek, as an absolute minimum, to set the recovery at the prescribed recovery from benefit rate, in the interest of fairness.

Working Closely With Our Enforcement Partners

In its collaborative Council Tax Collection publication the Improvement Service states the following about Enforcement:

Enforcement action, in which diligence is a consideration, should always be proportionate, viewed as a last resort and never be batch-driven or viewed as a convenient means of cutting costs.

This protocol recognises this view in principle. However one of our difficulties is a product of customers ignoring our reminder notices and avoiding engagement. In such cases we often have no knowledge of potential vulnerability or hardship.

In reality there are occasions when vulnerability or hardship cases are routinely referred to the Sheriff Officer after Summary Warrant has been obtained from the sheriff court. In such cases the true status of the debtor might only become known as the Sheriff Officer goes through the diligence processes. When these situations arise we will liaise closely with the Sheriff Officer in setting the right course of action, which is likely to include the debt being returned to the council. In such cases we would wherever appropriate, seek to remove fees or charges placed on the debtor as part of the summary warrant and diligence processes.

In circumstances where it is known to us that the customer is vulnerable or experiencing hardship, we will not routinely seek Summary Warrant for the recovery of tax debt and transfer these debts to the Sheriff Officer. We will work closely with our own and third sector money advisors, to find a proportionate and fair solution which maximises debt recovery and simultaneously protects the debtor from the standard recovery process, additional fees and charges.

Fergus Walker
Revenues and Benefits Manager
June 2024

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