

AGENDA ITEM

REPORT TO EXECUTIVE SCRUTINY

26 APRIL 2016

REPORT OF CORPORATE MANAGEMENT TEAM

REVIEW OF DEBTORS WRITE-OFFS

SUMMARY

This report presents Members with an update on the review of debt write-offs further to a report and scoping document which were presented previously to this committee.

RECOMMENDATIONS

1. Reviewing and improving the approach to following up debt and collecting income up-front is carried out within service reviews and projects that are ongoing or coming up.
2. A cross-cutting review of debtors write-offs is subsequently carried out following these service reviews and projects.

DETAIL

1. Members will note from previous reports that there are procedures in place for following up outstanding debt across the Council. The standard procedure is shown at **Appendix 1**. However, there are different procedures in place relevant to the nature of the debt and the way each service operates.
2. Members will note that approximately 50% of the debt relates to Adult Social Care and Housing Benefit overpayments. Additionally, approximately 70% of outstanding debt is being paid off regularly via payment arrangements. Members will also note that there are a relatively small number of debts written off and that this is always done as a last resort.
3. Since the start of the Debt Write-Off Reporting In Review, a number of other reviews and projects have started or are coming up across the Council that will present opportunities for reviewing and improving the approach to following up debt including collecting income up-front. Examples of these reviews and projects are:
 - a. Implementation, from Apr-16, of changes to budget structures and financial administration arising from the senior management review
 - b. Ongoing programme of Service Reviews as part of the Big Picture Programme
 - c. Lean review of Adults Services
 - d. Merger of Revenues (Council Tax and Business Rates) and Housing Benefits
 - e. Review of business support functions across the Council
 - f. Upgrade to the Agresso financial management system planned for implementation in Apr-17
 - g. Ongoing transformation project looking at new ways of working including use of technology
4. It is therefore recommended that, at this stage, the approach to following up debt and collecting income up-front is reviewed as part of these individual reviews and projects rather than as one cross-cutting review across the Council. This is to ensure the approach to managing debt and, more importantly, implementing new ways of collecting income up-front is reviewed in the context of how that service or the Council will work in future. It is also

recommended that a cross-cutting review of debtors is subsequently carried out following the reviews and projects referred to above, particularly in the area of Adults Services and Housing Benefits as they represent the largest proportion of the debt.

Name of Contact Officer: Ian Coxon

Post Title: Assistant Director (Business Support and Information)

Telephone No. 01642 527019

Email Address: ian.coxon@stockton.gov.uk

