

# Executive Decision Report

---

## **Leicester City Council's Debt Policy**

Decision to be taken by: City Mayor

Decision to be taken on: 28 September 2016

Lead director: Alison Greenhill, Director of Finance

---



**City Mayor**

## Useful information

- Ward(s) affected: All
- Report author: Enid Grant, Head of Business Service Centre
- Author contact details: 0116 4544401 / [Enid.grant@leicester.gov.uk](mailto:Enid.grant@leicester.gov.uk)
- Report version number: 2.0

### 1. Summary

This purpose of this report is to seek the City Mayor's approval to adopt and implement a debt policy for Leicester City Council.

### 2. Recommendations

The City Mayor is asked to approve the adoption of a Debt Policy for Leicester City Council, which will supersede the Council's Fair Debt Policy.

### 3. Supporting information including options considered:

Leicester City Council delivers and provides a range of disparate services across the authority which results in invoices being raised and debt accrued.

Leicester City Council is legally required to safeguard public money. This debt policy reflects the need to collect monies owed by individuals and companies whilst acknowledging there are certain circumstances where collecting full payment immediately would cause difficulty for some customers.

Using this policy ensures we collect debt in a fair, proportionate and respectful manner.

The purpose of having an all-encompassing debt policy is to clearly set out the responsibilities of officers responsible for raising debt and customers who owe the authority money. It covers debtors that 'will not pay' and those that 'cannot pay'.

The debt policy includes elements and supersedes that previously set out in the Fair Debt Policy.

The Council's priority is to maximise the collection of debt and it is imperative that the authority collects debt owed by the various means available. Depending on the type of debt owed the authority has a range of options to ensure that income due is collected. These are detailed in the debt policy (**Appendix A**)

### 4. Details of Scrutiny

The debt policy was taken to Overview Select Committee on 22<sup>nd</sup> June 2016. Members commented that the policy was welcome, well written and offered support and guidance but also explained that the Council and service users had a mutual duty. The policy contained strong messages written in a non-threatening way. The full extract of the minutes are attached (**Appendix B**)

## **5. Financial, legal and other implications**

### 5.1 Financial implications

The proposed new Debt Policy is intended to ensure an effective, efficient and fair approach to collecting debt, and to minimise losses from uncollected debt and collection costs – Colin Sharpe, Head of Finance, ext. 37 4081

### 5.2 Legal implications

The specific legal implications arising from this report are adequately detailed in the body of the report and the Debt Policy.

Jeremy Rainbow, Principal Lawyer (Litigation), ext. 371435

### 5.3 Climate Change and Carbon Reduction implications

No climate change implications

### 5.4 Equalities Implications

An Equality Impact Assessment has been carried out. The assessment considered the impact of the debt policy on the protected characteristic groups of Disability and Race, upon which there could be the most significant effect. (**Appendix C**)

### 5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

A stakeholder briefing workshop was held on 12 July with representatives from the Social Welfare Law Advice Partnership Forum. Those invited to comment were:

The Money Advice Service  
The Highfield Centre  
Somali Development Service  
Leicester Citizens Advice Bureau  
Community Advice and Law Service  
Trinity Money Advice Leicester City Council Christians Against Poverty  
Saffron Resources Centre

The purpose of this workshop was to seek the views of these agencies that support and advice those in debt on the content of the policy and receive feedback.

The minutes of this meeting are attached at (**Appendix D**). Headline feedback induced:

- The agencies have asked if LCC could sign post debtors to their advice services earlier by adding the following to the reminder letters.

### **Debt Advice**

*If you are concerned about your debts, have a low income and or are finding it difficult to pay what you owe, you should contact an Independent Advice Organisation. Most services provide free advice.*

**Contact someone now.** Appendix 7 of our Debt Policy lists some of those local agencies available to offer that help

- A question was asked about the use of bailiffs where there are children in the household as it has been shown that this can have a psychological effect on them. This has resulted in adding the following to the Debt Policy under the heading 'Customer care for vulnerable customers'

*"Enforcement agents must withdraw from domestic premises if the only person present is, or appears to be, under the age of 16 or is deemed to be vulnerable by the enforcement agent; they can ask when the debtor will be home - if appropriate.*

*Enforcement agents must withdraw without making enquiries if the only persons present are children who appear to be under the age of 12".*

## **6. Background information and other papers:**

N/A

## **7. Summary of appendices:**

Appendix A – Leicester City Council, Debt Policy April 2016

Appendix B – Extract from OSC minutes 22 June 2016

Appendix C – Equality Impact Assessment

Appendix D – Minutes from Social Welfare Law Advice Paternersip consultation workshop 12 July 2016

**8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9. Is this a “key decision”?**

Yes

**10. If a key decision please explain reason**

The new Debt Policy will be significant in terms of its effects on communities living or working in an area comprising two or more wards in the city.