

To: City Executive Board

Date: 9 July 2015

Report of: The Finance Panel (Panel of the Scrutiny Committee)

Title of Report: Debt Management Policy

Summary and Recommendations

Purpose of report: To present recommendations from the Scrutiny Committee on the Debt Management Policy

Key decision? No

Scrutiny Lead Member: Councillor Simmons

Executive lead member: Councillor Turner

Policy Framework: Efficient and Effective Council

Recommendations of the Finance Panel to the City Executive Board:

- 1. We recommend that the City Executive Board approves the Debt Management Policy subject to a minor amendment to the timescales for recovering Miscellaneous Debts set out in the table on page 9 of the policy.**
- 2. We reaffirm recommendation 15d of the Inequality Panel about the Council moving towards having a single view of debt. It will still require considerable effort to make this a reality but we strongly endorse this direction of travel and the progress made to date, including the use of fraud detection software to identify individuals with multiple debts owed to the Council.**
- 3. We recommend that consideration is given to restructuring relevant teams and resources around a single view of debt model as this initiative progresses.**

Introduction

1. The Finance Panel pre-scrutinised the Debt Management Policy at its public meeting on 2 July 2015. The Committee would like to thank Nigel Kennedy and Anna Winship for presenting this item and advising the Panel.

Summary of the discussion

2. The Panel endorsed the Debt Management Policy and noted that a correction is required within the 'Debt Recovery Process by Debt Type' table on page 9, where 7 days should be substituted for 10 days against Miscellaneous Debts.

Recommendation 1 - We recommend that the City Executive Board approves the Debt Management Policy subject to a minor amendment to the timescales for recovering Miscellaneous Debts set out in the table on page 9 of the policy.

3. The Panel heard that, on the back of fraud investigation work, the Council has invested in software that enables officers to check whether debtors owe multiple debts to the Council. The Panel strongly endorsed these moves, and noted that the Inequality Panel was also submitting a recommendation to the City Executive Board about the Council moving towards having a single view of debt. This will require further efforts in terms of people resources and possibly further investment in software, as the primary driver is still fraud prevention.

Recommendation 2 - We reaffirm recommendation 15d of the Inequality Panel about the Council moving towards having a single view of debt. It will still require considerable effort to make this a reality but we strongly endorse this direction of travel and the progress made to date, including the use of fraud detection software to identify individuals with multiple debts owed to the Council.

4. The Panel recognised that, as the Council's single view of debt initiative progresses, there may be a case for structuring and focusing officer resources around this model.

Recommendation 3 - We recommend that consideration is given to restructuring relevant teams and resources around a single view of debt model as this initiative progresses.

Further consideration

5. Officers were asked to report back to the Panel with information about the numbers of 2nd and 3rd reminder letters issued in the debt recovery process and the estimated cost of these.

6. Officers were also asked to provide more information on the levels of fees paid to the debt collection agencies contracted by the Council to recover debts on a no win no fee basis.

Executive response – to follow

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List of background papers: None

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