
NON-EXEMPT

HAVANT BOROUGH COUNCIL

AUDIT AND FINANCE COMMITTEE

10 July 2023

DEBT MANAGEMENT POLICY

FOR APPROVAL

Portfolio Holder: Cllr Bowdell

Key Decision: No

Report Number: HBC/021/2023

1. Purpose

- 1.1. The purpose of this paper is to provide the Audit and Finance Committee with an update on HBC Debt management policy and its effectiveness, governance, risk management and control for the year 2023/24.

2. Recommendation

- 2.1. That the Audit and Finance Committee approve the Debt Management Policy, attached as Appendix 1.

3. Executive Summary

Havant Council has a legal duty to ensure the prompt and cost-effective billing, collection and recovery of all sums due to the Council. The Debt management policy seeks to set out the key principles that the Council will apply in order to ensure that it is supportive, efficient and effective in its collection. It will make sure it strikes the right and necessary balance between dealing sensitively with those customers in genuine financial difficulty, whilst also using the full range of recovery methods with the small proportion of customers who have the means to pay but fail to do so.

4. Additional Budgetary Implications

- 4.1. There is a need for having Dedicated Debt Recovery officer within Finance team and options to resource this from within existing budgets are being considered.

Section 151 Officer comments

Date: 27/06/2023

Debt management plays a key part in supporting the authority's financial position and ensuring the efficient and economic management of public funded services.

It is vital that the council has an effective debt management policy to underpin the credit control and accounts receivable processes and to support the timely collection of monies owed to the authority.

I therefore fully support the approval of this policy

Steven Pink – Chief Finance Officer (S151)

5. Background and relationship to Corporate Strategy, Climate & Environment Strategy and/or Business Plans

- 5.1. In January 2023, Havant's internal audit function (provided by the Southern Internal Audit Partnership) completed an audit of the council's accounts receivable (AR) function and processes. The audit found a number of areas for improvement, including the need for a new debt management policy.
- 5.2. As part of the management response to these audit findings a new policy has been drawn up to support the auditors view that Havant Borough Council has effective controls in place.

6. Options considered

- 6.1. Not applicable.

7. Resource Implications

7.1. Financial Implications:

No direct financial implications arise from this report. However, improved debt management processes are likely to improve the authorities financial position via a reduction in debt write-offs or doubtful debt provisions

7.2. Human Resources Implications

None directly from this report.

7.3. Information Governance Implications

None directly from this report.

7.4. Other resource implications

None directly from this report

8. Legal Implications

Monitoring Officer comments

Date: 29/06/2023

The Council has a duty of best value and a general fiduciary duty to council tax payers to act with financial prudence. It is consistent with these duties to (a) make proper arrangements for billing and payment of income, monitoring of arrears and recovery of debts and (b) to keep the arrangements under review. Many types of income to be collected by the Council are subject to statutory rules and time limits for recovery. The proposals put forward in this report have regard to these in their collection and recovery processes.

9. Risks

Havant Borough Council currently has a recovery officer offering 16hrs p/w on committal work. There is a need to support 16hrs to closely monitor debt and chase customers where necessary.

10. Climate & Environment Implications

10.1. None directly from this report.

11. Consultation

11.1. This report has been discussed with the Council's Section 151 Officer, accounts receivable officers, the Exchequer team manager and key officers working on managing the authority's debt processes.

12. Communication

12.1. None directly from this report.

13. Appendices

13.1. Appendix 1 – Debt Management Policy June 2023

Agreed and signed off by:

Portfolio Holder: Councillor Bowdell

Director: Steven Pink – Chief Finance Officer

Monitoring Officer: Jo McIntosh

Section 151 Officer: Steven Pink

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