

**Subject:** Sundry Debt Policy

**Status:** For Publication

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**Report to:** The Cabinet

**Date:** 4<sup>th</sup> July 2007

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**Report of:** Head of Financial Services

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**Portfolio**

**Holder:** A Well Managed Council

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**Key Decision:** No

Forward Plan

General Exception

Special Urgency

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**1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to propose the adoption, by Members, of a Sundry Debt management policy

**2. CORPORATE PRIORITIES**

- 2.1 The matters discussed in this report do not directly impact on the corporate priorities.

- *Strong financial management and the delivery of value for money services (Improvement)*

**3. RISK ASSESSMENT IMPLICATIONS**

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- A core function of the policy is to mitigate the risk to Council of unpaid debts and therefore safeguard financial resources.

#### **4. BACKGROUND AND OPTIONS**

4.1 As part of the Council financial management development it is considered good practice for Council to have adopted a formal debt management policy. The adoption has also been recommended by the Councils internal auditors.

4.2 The report deals with sundry debt matters a separate policy is currently being written to deal with the matter of Council Tax and National Non-Domestic Rates.

4.3 The Debt Management policy is geared to maximizing Council cash flows and gives details and guidance on:

- Context
- Responsibility
- Incurring debt
- Sundry invoices
- Accounting arrangements
- Small value debts
- Debt recovery
- Legal action
- Debt write off
- Review / Monitoring

4.4 The Draft policy is attached at appendix 1

#### **5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES**

5.1 The report and the policy deal directly with financial matters. The adoption will further strengthen the Councils financial management arrangements.

#### **6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES**

6.1 Legal Services are fully committed to supporting this policy.

#### **7. COMMENTS OF THE HEAD OF HUMAN RESOURCES**

7.1 There are no material Human Resources implications

#### **8. CONCLUSION**

8.1 That the adoption of the policy follows best practice and further strengthens the Councils financial management.

#### **9. RECOMMENDATIONS**

9.1 The debt management policy is approved by members

9.2 That any future revision of the policy is delegated to the Head of Financial Services in consultation with the portfolio holder for A Well Managed Council.

## 10. CONSULTATION CARRIED OUT

### 10.1 Internal Audit

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