

Report to: Cabinet



Date of Meeting 6 October 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Corporate Debt Policy

### Report summary:

This report introduces the Corporate Debt Policy (appendix 1) which has been updated to reflect changes in legislation, our Poverty Strategy, changes in statutory fees and other related policies.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

That Cabinet recommends the approval of the updated Corporate Debt Policy to senior officers.

### Reason for recommendation:

To ensure our Corporate Debt Policy reflects the latest changes in legislation, statutory fees and is in line with other related policies and strategies etc.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

**Equalities impact** Low Impact

**Climate change** Low

**Risk:** Low risk

**Links to background information** <https://eastdevon.gov.uk/business-rates/business-rates-policies/corporate-debt-policy/policy-review> [Our poverty reduction strategy overview - East Devon](#)

**Link to** [Statement of Intent](#)

Priorities (check which apply)

- Better Homes and Communities for all
- Greener East Devon
- A resilient Economy
- Services that matter

## **1.0 Background**

1.1 It is recognised as good practice to have a Corporate Debt Policy (CDP) as ensures that as a Council we take a consistent, proportionate and fair approach to the collection of money owed to the Council across all the different debt types. It provides transparency over the approach we will take in recovering money and in particular the support we will provide to those that are struggling to pay which links into the aims of our Poverty Strategy - helping to reduce indebtedness, building financial resilience and addressing the root causes of poverty.

1.2 The aims of our policy remain the same and we will continue to take proactive measures in debt prevention, supporting residents who are struggling to pay, working closely with other agencies such as Citizens Advice whilst striking the right balance to ensure we are maximising revenue streams in order to deliver Council services.

## **2.0 The main changes to our CDP**

- Policy reflects our Poverty Strategy and the work we are doing around building financial resilience, helping to reduce indebtedness and working to address root causes of poverty.
- Breathing Space legislation that came into force 4 May 2021
- References to state benefits have been updated to include Universal Credit
- Reference to other policies & strategies updated to reflected latest versions.
- Changes in statutory fees & prescribed amounts. For example; the minimum prescribed amount for bankruptcy action has increased from £1,000 to £5,000.
- Changes in approach on certain types of sundry debts to reflect moving to more up-front payment for services.
- Titles of officers and other agencies have been updated.

## **3.0 Feedback from consultation**

3.1 As part of updating our CDP we have consulted with Citizens Advice East Devon on the latest draft version as we recognise the importance of their feedback in helping to ensure that we are adopting the right approach in particular how we are supporting our vulnerable residents including those that are struggling to pay and/or are indebted. As part of their feedback they did pick up some minor changes that we have reflected in this draft version. Their overall feedback stated "It was very reassuring to read the council are taking such a sensible approach. The policy I felt was very clear. Brilliant work".

## **4.0 Overall**

4.1 This draft policy has been updated in conjunction with other services involved in the collection of debt.

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**Financial implications:**

With the current financial climate it is increasingly important that the collection of income and/or reduction in indebtedness is successful to fund essential local services. The policy aims to do this both in a fair and cost effective manner whilst conforming to statutory requirements.

**Legal implications:**

It is important that the Council has in place an up to date policy that guides enforcement action. Otherwise there are no legal implications which require comment.