

## **GROWTH SCRUTINY COMMITTEE**

Minutes of a meeting of the Growth Scrutiny Committee of the Bolsover District Council held in the Council Chamber, the Arc, Clowne, on Wednesday 14<sup>th</sup> December 2016 at 1000 hours.

### **PRESENT:-**

Members:- Councillors T. Alexander, A. Anderson, G. Buxton, J. Clifton, M. Dixey, S. Statter and B. Watson.

Officers:- B. Mason (Executive Director – Operations) (for Minute No 0540 only), D. Clarke (Assistant Director – Finance, Revenues & Benefits) (for Minute No 0540 only), C. Millington (Scrutiny Officer) and A. Bluff (Democratic Services Officer).

Also in attendance at the meeting was Councillor S.W. Fritchley (Portfolio Holder for Commercial Development and Efficiencies).

Councillor J. Wilson in the Chair

### **0535. APOLOGIES**

There were no apologies for absence received.

### **0536. URGENT ITEMS OF BUSINESS**

There were no urgent items of business to consider.

### **0537. DECLARATIONS OF INTEREST**

There were no declarations of interest made.

### **0538. MINUTES – 16<sup>th</sup> NOVEMBER 2016**

Moved by Councillor A. Anderson and seconded by Councillor B. Watson

**RESOLVED** that the minutes of a Growth Scrutiny Committee meeting held on 16<sup>th</sup> November 2016 be approved as a correct record.

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### **0539. LIST OF KEY DECISIONS AND ITEMS TO BE CONSIDERED IN PRIVATE**

Moved by Councillor B. Watson and seconded by Councillor A. Anderson

**RESOLVED** that the List of Key Decisions and Items to be considered in Private document be noted.

The Executive Director – Operations and the Assistant Director – Finance, Revenues and Benefits entered the meeting.

### **0540. THE AUTHORITYS APPROACH TO DEBT MANAGEMENT – UPDATE FROM THE EXECUTIVE DIRECTOR - OPERATIONS**

The Executive Director – Operations circulated information to the meeting in relation to the Authority's income/debt collection arrangements.

At a Growth Scrutiny Committee meeting held on 19<sup>th</sup> October 2016, Members had raised concern as to the reasons why large amounts of debt were being written off by the Authority and also a lack of detail as to what the debts related to. The Council's policy and process for the recovery of debt was also queried.

The Executive Director – Operations explained that the Council had a legal duty to collect all monies owed to it in a cost effective fashion and by established good practice. These factors were crucial because if the Council did not comply with its legal obligations, including giving proper legal notice that monies were due, or failed to comply with recognised good practice, then the courts would not allow a debt to be enforced.

There would always be a requirement to write off some debts that were raised and in order to fund these, the Council set aside a 'provision for doubtful debt'. A table in the report showed an example of revenue contribution to the 'Provision' which fluctuated throughout the year but provided a reasonable indicator of the amount of debt which was not recovered.

The actual write off process required that individual amounts under £2,500 were written off by the Chief Financial Officer and any amounts over £2,500 were required under the Council's Constitution to be written off in agreement with Members.

Where companies had ceased to trade there would be no realistic prospect of recovery of monies and therefore no other option than to 'write off' the debt. Where a person or company had been declared bankrupt, a debt was no longer legally recoverable, although the Council would place itself on a list of unsecured creditors in order to receive any dividend due, any return was generally minimal (pence in the £), and the debt would need to be written off.

In the case of debt relating to 'works in default', (where the Council could use its statutory powers to undertake work on houses to make them fit for habitation or to address health and safety issues), a legal charge would be taken on the property so when the house was sold the first call on the funds would be to repay the charge on the property, therefore, the process of actively pursuing such a debt would no longer be

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appropriate. When a decision to sell was made, the solicitors concerned were effectively required to repay the debt which was registered as a charge on the land.

As well as the legal responsibility to collect debt, the effective collection of debt was crucial to the Council's ability to maintain its services to tenants and residents and other local authorities operating in the Council's area.

The Council raised Council Tax which funded County Council, Police, Fire, Parish and District Council Services. A 1% reduction in Council Tax collection would reduce the resources available to local government organisations by in excess of £0.3m.

The only income available to the Housing Revenue Account (HRA) was effectively tenants' rents. If the Council failed to collect 1% of tenants' rents then the cost to the HRA was in excess of £0.2m. That loss of income was reflected in a reduction in services to tenants.

Whilst it was important to maximise the level of income that was collected, it was equally important to minimise the cost of collecting income, which was a back office service.

The Council processed in excess of 700,000 transactions each year; Council Tax from 33,000 households, rents from 5,000 Council Homes, NNDR from 2,400 properties and over 10,000 sundry debtors (sundry debtors were charges for anything other than Council Tax, NNDR and rents), for example, bulky refuse collection, pest control and other miscellaneous services.

The majority of the Council's residents paid their bills on time. On average 60% had currently opted to pay by direct debit which provided the greatest certainty of securing payment for the Council.

The Council had a strong commitment to customer service and asked on all bills that any individual who was struggling to pay should contact the Council directly where an appropriate arrangement would be made. The Council also advised residents of contact details for both the Citizens Advice Bureau and National Debtline and as Members were aware, the Authority provided financial support to a range of advice agencies which helped fund this type of work.

Recovery staff were also trained and experienced in dealing with vulnerable or disadvantaged residents to ensure that they were appropriately treated.

Two flowcharts attached as appendices to the report set out the recovery process for the various kinds of debts, a third flowchart set out the recovery process for council tax and NNDR.

If a bill still remained unpaid, the Council would move to secure a court order requiring payment. The court order would be necessary to allow the Council to take any further enforcement action which could include referral of the debt to a collection agency (who had to operate in line with a strict code of conduct; payment by deductions from earnings or benefits or by passing the account over to an enforcement agent (commonly known as bailiffs). The Council only used licensed bailiffs who were required to operate within the context of stringent legal procedures. Obtaining a court order generally cost in the region of £60 and would be added to the bill to be paid for by the debtor.

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Throughout the process, the Council was still available and willing to discuss appropriate terms for repayment.

The Council's collection rate for debt raised was very good and in line with other Derbyshire authorities. The collection rate for Council Tax and NNDR was monitored through the quarterly performance meetings and also on a monthly basis across Derbyshire through the Derbyshire Financial Officers Association.

Due to the amount of money collected by the Authority and given the contentious nature of the service, there would inevitably be occasion where the Council got it wrong, or a complaint was received. These were, however, relatively few and suggested that the Council got the service broadly right.

An exercise was undertaken by the Customer Service and Improvement Team in 2015/16 to monitor the quality of telephone calls with external customers across all revenues and benefits services. The quality monitoring results were very good and complimentary of the service provided by the team. A follow on exercise had also been undertaken during November 2016 and an initial review of the results appeared to be very much in line with those from the previous exercise.

Members thanked the Executive Director – Operations and the Assistant Director – Finance, Revenues and Benefits for providing the detailed information.

A Member requested that future 'write off' reports include more detail as to what the debts related to.

The Executive Director – Operations and the Assistant Director – Finance, Revenues and Benefits left the meeting.

The Committee discussed the information received and accepted the reasons for irrecoverable arrears in 2016 mainly due to bankruptcy, liquidation and ceased trading of businesses, and collection rates for the last financial year were 97% of Council Tax collected and 98.5% of NNDR the Committee did not need to request any further information.

Moved by Councillor A. Anderson and seconded by Councillor J. Wilson

**RESOLVED** that the information relating to the Authority's income and debt collection arrangements be noted.

(Executive Director – Operations/Scrutiny Officer)

### **0541. GROWTH SCRUTINY WORK PLAN 2016/17**

Committee considered their Work Plan for 2016/17.

The Chief Executive Officer would be providing a quarterly Growth update to the Committee at the January meeting.

Members requested that the Chief Executive Officer provide the Committee with information on progress for a Director of Growth, Coalite, Joint Venture, 'One Public Estate' and the reasons for the delay in the launch of the new Council website which

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was due to go live at the end of 2016. A question was raised on the business plan for the new Leisure facilities at the Arc.

A Member of the Committee had previously raised concerns regarding publicity material regarding the Council's business offer. Members commented that they were uninspired by the publicity materials which had been picked up from the main reception at the Arc and these business leaflets were not a good use of the Council's resources.

It was agreed that these issues be reinstated in the Committee's Work Plan.

Councillor Fritchley informed the meeting that Shirebrook Town Council were holding an event in Shirebrook Town Centre on 24<sup>th</sup> January 2017 from 4.30pm to 6pm. The event would include a 10 minute promotional video of Shirebrook from a business perspective. All Members of Growth Scrutiny Committee were welcome to attend the event. He added that there was also a new Shirebrook Town Council website if Members were interested in taking a look.

The Chair wished everyone a happy Christmas and New Year.

The meeting concluded at 1055 hours.