Report to: Cabinet Meeting: 21 July 2026

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: Nick Wilson, Director – Finance, Revenue & Benefits and S151 Officer
Deborah Johnson, Local Government Reorganisation

Lead Officer: Andrew Bayliss, Transactional Finance Manager

Report Summary	
Type of Report	Open Report / Non-Key Decision
Report Title	The Council's Approach to Debt Collection and Managing Cases of Multiple Debt.
Purpose of Report	To share with the Cabinet the draft Corporate Income and Debt Strategy and Policy Management of Cases that Involve Multiple Council Debt
Recommendations	That Cabinet: a) review and endorse the proposed approach to debt collection as set out in Appendices A and B; and b) approve the additional budget requirement for 1 additional FTE of £72,800 (based on 25/26 values) funded 50% each between the GF and HRA based upon the reserves identified in the financial implications.
Alternative Options Considered	Cabinet does not approve the proposed changes and individual teams continue to collect debt streams in isolation and without a joined-up approach.
Reason for Recommendations	To improve the customers experience of debt collection to align with our customer experience strategy and centralise our collection approach.

1.0 Background

1.1 SLT agreed on 3 December 2024 for a review into the Single View of Debt (SVoD) as a service concept. The concept of what is meant by SVoD is such that where residents of the District have debt across more than one fund, this would potentially be treated as one instance of debt to assist the resident providing a better customer experience. This approach aligns with our Customer Experience Strategy which outlies at outcome *"To have customer led and designed processes".*

1.2 Work has progressed since that point with a series of meetings between internal stakeholders seeking to forge agreement on the best strategy to achieve a better focused customer journey

1.3 At the point when the report was first presented to SLT, the outstanding debt owed to the Council, as at 30 September 2024 was:

Breakdown of total outstanding debt	£m
Council Tax	8.419
Business Rates previous years still outstanding	1.788
HBOP	0.861
Rents current tenant arrears	0.382
Rents former tenant arrears	0.305
Sundry Debt overdue	0.561
Total debt outstanding as at 31 March 2024	**12.316**

The table below demonstrates the level of debt as at 31 March 2026. This shows a £2.589m increase in outstanding debt across all funds.

Breakdown of total outstanding debt	£m
Council Tax	9.877
Business Rates	2.106
HBOP	0.945
Rents current tenant arrears	1.069
Rents former tenant arrears	0.534
Sundry Debt overdue	0.374
Total debt outstanding as at 31 March 2026	**14.905**

1.4 Since the original report, data collection activities have taken place and based on information gathered in February 2026, the following table demonstrates those individuals that have debt with the authority:

No. debt streams	No.	% Total
1	4,165	88.1%
2	534	11.3%
3	27	0.6%
Total	**4,726**	**100.0%**

2.0 Proposal/Options Considered

2.1 A new Corporate Income and Debt Strategy has been created which will deliver a cohesive and customer-centred approach to corporate debt management. This strategy sets out the Council's commitment to fostering a payment culture that supports prompt settlement of accounts and minimises the build-up of debt. It aims to maintain outstanding debt at the lowest possible level through proactive engagement, early intervention, and consistent enforcement where necessary. This is attached at **Appendix A.**

2.2 In addition to this, a new Policy on the Management of Cases that involve multiple Council debt has been developed (**Appendix B**). This policy sets out the Council's approach to identifying, managing, and supporting individuals whose debts and/or arrears in more than one Council area (e.g. housing rent and council tax).

2.3 A summary of the strategy and the approach to debt collection has been developed and shared with members of the residents panel and engaged tenants' groups. They were invited to provide feedback through a short survey. The survey closed on Friday 22 May, and feedback received has been considered.

2.4 Both of the new documents, as described above, will work in tandem with individual team policies and are not to contradict them. They don't replace or supersede individual team policies, these act as a further layer of engagement with service users/residents, in order to offer a "One Council approach" to managing debt.

2.5 The strategy and policy will be supported via two mechanisms, the creation of a joint working group, attended by representatives from all of the major funding streams, together with a proposed new role "Multiple Debt Caseworker" that will undertake the engagement with those that have debt with the Council over multiple funds.

2.6 The joint working group would meet periodically once data has been consolidated and analysed in order to allocate cases to the Multiple Debt Caseworker. A ringfenced amount would notionally be transferred to the caseworker, ringfencing this debt. The caseworker would then engage with the individual and seek to agree a single payment plan with the Council for the outstanding debt. All payments for ongoing charges for the various funds would be managed by the individual teams, with just the ringfenced debt subject to the caseworker.

2.7 The caseworker would seek to engage with the individual, understand their circumstances in greater depth, signpost where appropriate to benefits they currently don't claim, in order to seek a payment plan to accommodate a singular monthly/weekly payment for the debt owed to the Council. This officer would then reallocate the payment to the relevant funds over the course of the payment plan.

2.8 Where the individual doesn't engage with the caseworker after several attempts the caseworker would then hand back the individual to the relevant teams for them to initiate further enforcement relevant to each of the funds.

2.9 During the period for which the individual is with the caseworker, its suggested that further enforcement is paused, whilst engagement is sought.

2.10 It is noted that whilst this officer will seek to generate payments from individuals this is not the primary purpose of the role. Offering a more coordinated service to individuals, where two different teams aren't chasing for payments simultaneously and potentially seeking further enforcement would offer a better customer experience and one that supports individuals and seeks to find holistic solutions.

2.11 A job description and person specification has been produced and scored through the JE process. The resultant pay grade for the post is NS08. If the role is approved, this would be apportioned over the General Fund and the HRA equally.

2.12 It is proposed that this post would be a fixed term post to 31st March 2028, which would allow sufficient time for the post to establish itself, whilst also ability for the Council to review its effectiveness. The expected cost for 18 months (based on assumed pay awards) would be £72,800

3.0 <u>Implications</u>

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 <u>Financial Implications - FIN26-27/3117</u>

As described at paragraph 2.12 the proposed cost of the additional post would cost circa £72,800 over the 18-month period including on-costs based on the estimated 2026/27 and 2027/28 pay awards. An equal split between the General Fund and the HRA would mean a cost of £36,400 each which would need to be funded through the Change Management Reserve for the GF and the Service Improvement reserve in the HRA.

3.2 <u>Legal Implications - LEG2627/2667/LMI</u>

The Council has statutory powers and responsibilities to recover monies owed to it and to ensure the proper administration of its financial affairs. The proposed Strategy and Policy provide a framework for coordinated debt management across services whilst maintaining compliance with the legislative and regulatory requirements governing individual debt streams.

The implementation of the Strategy will require the sharing of personal data between relevant Council services and must be undertaken in accordance with the UK GDPR and Data Protection Act 2018. Advice should be sought from the Information Governance team about progressing this.

The Council must also have due regard to its obligations under the Equality Act 2010 and ensure that the approach remains proportionate, fair and responsive to vulnerable residents.

The Strategy and Policy do not replace or override existing service-specific debt recovery policies, nor do they affect the statutory recovery powers and duties applicable to individual service areas. Any apportionment of costs to the Housing Revenue Account must comply with relevant HRA accounting and subsidy requirements.

The proposed strategy indicates that enforcement activity may be paused whilst cases are managed by the Multiple Debt Caseworker.

The proposals should also ensure that statutory limitation periods are monitored, and recovery timetables remain compliant with relevant legislation. Suspension of enforcement should not prejudice the Council's ability to recover debt subsequently and decisions to delay enforcement are appropriately recorded.

3.3 Human Resources Implications - HR2425/6166 FK

It is proposed that this post sits within the Customer Services team. During 25/26, the establishment increased by 30.48FTE. +8.02FTE of this was within the Customer Services and Organisational Development directorate. None of this change was within Customer Services. If approved, the proposals outlined will result in an increase to the establishment of +1FTE.

The role is described as having a supportive focus to encourage engagement by individuals with multiple debt streams and the ability to signpost to organisations who can assist. It has been evaluated at NS8.

It is likely that there are individuals within the Council already working within roles linked to debt recovery, in some form, and who have experience in providing support and signposting and are looking for a progression. There is a likelihood that this post could be filled internally but it is recommended that it is advertised externally also to ensure that the right person is appointed.

In line with our processes, recruitment will be transparent and fair, ensuring that no candidates with a protected characteristic are at any detriment.

If a current member of staff wishes to apply, they will have to seek approval from their current manager to take the role on a secondment basis or resign from their permanent position. If the role is filled externally, or not on a secondment basis, it should be noted that there may be a cost associated with bringing the contract to an end at 18 months, should alternative employment not be available, if the post holder has continuous service of >2years. This would be a payment equivalent to statutory redundancy as compensation for loss of office. Access to pensions would be the same as in a redundancy situation.

A fixed term of 18 months means that, if the decision is that the post is not needed on a longer-term basis, the role will come to an end in advance of the new unitary authority.

3.4 Equalities Implications

The proposed Corporate Income and Debt Strategy and the Policy on the Management of Cases that Involve Multiple Council Debt have positive equalities implications. A more joined up and customer centred approach to debt management should reduce the risk of residents, including those who may be more vulnerable because of disability, age, poor mental health, low income or other protected characteristics, experiencing duplicated contact, inconsistent recovery action or avoidable escalation. The strategy and policy support earlier identification of need, more proportionate engagement and improved signposting to advice, benefits and other support. The appointment of a specified support officer will also allow greater flexibility in the methods of communication available to the customer, helping the Council to tailor engagement more appropriately to individual needs and circumstances. Implementation will need to be monitored to ensure that reasonable adjustments are made where required, communication methods are accessible, and the approach is applied fairly and consistently in line with the Council's Public Sector Equality Duty.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None