

LONDON BOROUGH OF HARROW

OVERVIEW AND SCRUTINY COMMITTEE – 3 APRIL 2012

REFERENCE FROM CABINET – 8 MARCH 2012

Scrutiny Review - Debt Recovery Process - Response

Cabinet received a report of the Interim Corporate Director Resources setting out a preliminary response to the recommendations of the Scrutiny Challenge Panel on the Debt Recovery Process.

The Leader of the Council welcomed the Chairman of the Challenge Panel and the Chairman of the Overview and Scrutiny Committee to the meeting and invited them to address the meeting.

The Chairman of the Challenge Panel informed Cabinet that the Panel had considered the application of the Council's debt recovery process and had examined examples of where the Council appeared to be applying its policy, in the Panel's opinion, in a manner which did not fully take account of potential distressing personal circumstances of some residents. A blanket application of the policies could, in the Panel's view, become harmful although it was recognised that it was critical for the Council to collect the money owed to it. However, the Panel considered that there needed to be some form of encouragement in the process that would also assist residents.

The Challenge Panel had been of the view that the process of applying severe sanctions had not been carefully considered, particularly where these impacted on residents in difficult financial circumstances. Capturing residents in trouble earlier in the process was essential. The Chairman of the Panel suggested that before severe sanctions were taken, the circumstances and vulnerability of the individual ought to be examined with care, as sanctions applied would result in life time changes for the individual concerned. Additionally, there were opportunities for the Council to streamline the debt collection functions, looking to reduce cost, improve collection rates of some of the smaller collection functions.

The Chairman of the Overview and Scrutiny Committee welcomed the response report, and thanked the Chairman of the Challenge Panel for leading a robust review. He added that he also felt that the Council needed to appreciate that a number of factors could result in a non-payment situation. Furthermore, a streamlining of the debt collection function would help save money and he hoped that the recommendations of the Challenge Panel would help enhance the service and processes applied.

The Leader of the Council thanked the Members for their contributions and acknowledged that debt recovery was an emotive issue. When compared with other local authorities, Harrow Council's policy on debt recovery could not be considered to over-zealous. However, he acknowledged that early intervention in the process was critical and suggested a working group be established that could oversee this process. Moreover, it was important that the

policies were applied in a reasonable, sensitive and proportionate manner. He agreed that a progress report be submitted in three months' time.

RESOLVED: That the responses recommended by officers be endorsed and that a further progress report be submitted in three months' time.

Reason for Decision: To provide an appropriate response to the Scrutiny recommendations and to improve the effectiveness of the handling of exceptional cases.

FOR INFORMATION

Background Documents:

Report submitted to Cabinet
Draft minutes of Cabinet

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