

Debt Management Policy

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Document governance and management

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1. Introduction

This is the Debt Management Policy adopted by the Scottish Social Council (SSSC). This policy applies to all income due to the SSSC.

We collect and record income from five main sources. They are:

- grant in aid
- additional Government income
- specific grant income
- registration fees and
- other income, such as charges for services to other organisations, postgraduate bursaries, repayment of grants, and Voluntary Sector Development Fund (VSDF).

We must have a Debt Management Policy to make sure that we collect all income due to the SSSC efficiently and promptly. We collect each type of income differently and this is reflected in this policy.

Legislation and registration rules

We must have policies and procedures for collection of income that are consistent with the Scottish Public Finance Manual (SPFM) and our Executive Framework. These documents make sure we set fees in respect of the Council's functions and identify and recover any income due to us.

The Scottish Social Services Council Registration Rules 2024 (the Rules) sets down what we must do in relation to collecting registration fees. This Debt Management Policy sets out how we will implement the Rules in practice and gives clarification and guidance on specific issues. This policy aims to make sure that we consistently interpret the Rules relating to fees and that we appropriately apply credit notes, provisions for doubtful debt and any debt write off or fee waivers.

2. Principles

Aims

This policy aims to make sure:

- we minimise the occurrence and monetary value of bad debt and losses to the SSSC
- we pursue all outstanding debt appropriately
- debt collection is efficient, effective and coordinated
- we consistently apply our Debt Management Policy, which people or organisations who owe us money perceive as serious and efficient
- extra care is taken of potentially vulnerable customers who owe us money.

Principles

When managing our debt we apply the following principles.

- Our debt management aims are aligned to Government policy and our organisational objectives.
- Our governance and controls are proportionate and appropriate to the level of debt and risk.
- We regularly review our debt policies and procedures to optimise debt collection.
- Our debt management practices tackle current aged debt, reduce the age of debt and prevent the creation of avoidable overdue debt.
- We take a sensitive approach to debt management to make sure we don't cause unnecessary worry or stress to people who owe us money.
- We are fair to people and organisations who owe us money and those that do pay on time, by taking a proportionate response to those that don't.
- The impact of debt collection practices on people and organisations who owe us money is justly balanced with the need to have the right deterrents in place.
- We uphold public service codes of conduct and ethics and we will consider those of associated professions.
- We provide extra support, advice and understanding for potentially vulnerable people who owe us money and agree realistic and affordable payment plans.
- We make sure that taxpayers money is spent in the most efficient and effective way, whilst minimising unnecessary stress on people who owe us money.

- We provide as many convenient payment methods as possible for people to pay us so that we reduce the incidence of late payment and the need for debt recovery. Our payment methods include direct debit, standing order, cheque, debit or credit cards (either online or by telephone) and bank transfer.
- We promote direct debit as our preferred payment method for for repayment instalments of grants or bursaries. We also accept standing orders.

3. Roles and responsibilities

3.1 Council and committee

The Audit and Assurance Committee is responsible for:

- scrutinising accounting policies and approving this Debt Management Policy
- making sure this policy complies with the Scottish Public Finance Manual (SPFM)
- advising the Council and Accountable Officer on strategic processes for risk, the internal control environment, financial probity and stewardship.

3.2 Executive Management Team

Our Executive Management Team is responsible for:

- making sure staff are informed of this policy and follow related procedures, controls and guidance
- making sure that all debt collection within their respective area complies with this policy
- making sure request for payment are raised for debt due within their respective area. Note in Section 5 that registration fees and debts arising are managed in D365 and no invoicing is required.
- monitoring income collection through monthly Assurance Reports.

3.3 Operational Management Team

Our Operational Management Team is responsible for:

- making sure that all debt collection within their respective area complies with this policy
- making sure requests for payment are managed for all debt due within their respective area. Note in Section 5 that registration fees and debts arising are managed in D365 and no invoicing is required.

3.4 Staff

- All SSSC staff must comply with this policy and follow related procedures, controls and guidance.
- Guidance on this policy can be sought from the Head of Registration
- Staff may also seek support and advice on this policy from the Finance Team, if required.

4. Debt management- non registration income

4.1 Grant in aid

The Scottish Ministers award grant in aid, which is administered through the Office of the Chief Social Work Adviser of the Children and Families Directorate within Scottish Government (OCSWA). We must document requests for grant in aid as laid out in our Executive Framework. This means we must submit a written request for the drawdown of funds to our Sponsor team when we need income and we must not draw down grant in aid before we need it. We receive grant in aid into the SSSC's bank account within eight working days. Scottish Government pays registration fees for local authority workers and compensates SSSC for any loss in income. This compensation is drawn down alongside the funds mentioned above.

There are no debt management issues associated with this income stream.

4.2 Specific grant income

Specific grants are secured from various grant awarding bodies, sometimes operating on a multi-agency basis. This income tends to be for ad hoc, one off or short term pieces of work. A grant agreement from the grant awarding body sets out the amount of funds we will receive and specifies what we must use the funding for. The agreement also sets out how we claim payment for the grants. The funds are paid directly into our bank account.

There are no debt management issues associated with this income stream.

4.3 Other income

Our sources of other income are:

- repayment of grants and bursaries
- repayment of Voluntary Sector Development Funding
- Modern Apprenticeship fees
- any other non-registration fee income due to the SSSC.

Grants and bursaries

We sometimes make provisional grant or bursary payments where we might not know the final amount due. For example, students might leave their course, or their personal circumstances change during the year. This can mean that grants or bursaries need to be paid back to us. We will follow this Debt Management Policy for people or organisations who owe us money.

Voluntary Sector Development Fund (VSDF)

We pay VSDF funding on behalf of Scottish Government to voluntary sector employers for

them to provide training to their staff to meet our registration requirements. We provide funding for specific candidates to complete specified courses within a set time period under the VSDF Guidelines. If the funding is not used in accordance with the guidelines, the employers must repay it to us. We will follow this Debt Management Policy for people or organisations who owe us money.

Modern apprenticeships

We issue invoices to modern apprenticeship approved training providers for registration and certification fees each month. We will follow this Debt Management Policy for people or organisations who owe us money.

4.4 Debt management policy- non registration fee income

Our Debt Management Policy for non-registration fee income is as follows.

- We will issue invoices as soon as possible after we identify that payment is necessary.
- We will record income promptly and accurately to avoid contacting people or organisations who owe us money in relation to debt they have already repaid.
- Invoice terms are full invoice amount due within 30 days.
- We will not make further payment of grants or student bursaries until all outstanding debt is repaid.
- We will give students or potentially vulnerable people an opportunity to pay the debt by instalments to avoid undue financial hardship. We will agree terms with debtors individually according to their specific circumstances and the size of the debt.
- Where an invoice, or part invoice remains unpaid after 30 days and there are no queries or issues preventing debt collection ie the debt is clean, we will take the following action.
 - Send payment reminders at 30, 44 and 58 day intervals, wording each reminder more strongly than the last.
 - Follow up the 58 day reminder with a documented telephone call to make sure that our correspondence was received and understood, as well as get assurance that they will settle the amount due to us.
 - If payment is not received within 14 days of our telephone call, we will consider legal action. The Finance Transactions will pursue debts of £200 or less and we will refer debts greater than £200 to external solicitors for court action.
 - Where we have had a query or issue with collection of the invoiced debt and the issue is resolved, we will amend the invoice due date to correspond with the relevant stage of the debt management process to make sure that we give people and organisations appropriate time to pay without detriment.
 - We will write off as a bad debt any outstanding money considered irrecoverable. We consider that a debt is 'bad' where we have raised an invoice

properly and correctly and the invoice is not disputed, but we don't reasonably expect to recover the debt. Potential reasons for writing off debt are:

- insolvency or financial difficulty
- the person is untraceable or gone away
- recovery is uneconomic.

The Head of Finance must give authority in writing for debt write off for individual debts of £10,000 or less and our Scottish Government Sponsor Team will give authority for individual debts in excess of £10,000.

We will include details of debt written off in monthly Assurance Reports to EMT and quarterly Assurance Reports to the Audit and Assurance Committee.

5. Debt management policy- registration fees covering applications and annuals

The Rules set down requirements in relation to the payment of fees. This policy sets out how we implement the Rules to ensure they are interpreted and applied consistently, fairly and in an appropriate manner.

5.1 Application fees

An applicant must pay a fee to apply for registration with the SSSC (unless agreement to be delayed or waived). D365 will record the type of fee that is due and the amount as well as details about the payment that has been made. Application fees are not refundable where we have considered an application but refused or rejected it.

Where a registrant wants to move to a different part of the register, an application fee will not be due if we receive the application less than six months after the due date of their annual fee, assuming that annual fee was paid or, in the first year of registration, less than six months from their registration date, assuming the application fee was paid. The date we receive the application will determine whether the fee is due or not.

Restoration fees

Applications for restoration apply when a former registered worker has been removed from the Register under the Fitness to Practise Rules and the worker re-applies for registration.

An application fee paid is not refundable if we refuse the application.

5.2 Annual (the annual declaration process)

Annual fees are due in respect of retention on the Register on the anniversary of the date of initial registration each year.

D365 will notify a registrant that they must complete an annual declaration not less than one calendar month before their annual fee is due. We send a reminder on the day the annual declaration and associated annual fee are due and again 7-14 days after the registration date if we have not received payment. If the debt is still outstanding after a further 14 days, we start the registration removal procedure. Where a registrant moves from one part of the Register to another after their registration anniversary date, they must pay an application fee if we receive the application six months or more after their original registration date.

In all other cases where debt remains outstanding following the reminder notice, the Finance Transactions Team passes details of the outstanding debt to the

Registration Team and the debt will remain outstanding until such time we receive payment or Registration makes a recommendation to write off the debt.

5.3 Managing debts

Following the Future Proofing Project (June 2024), D365 will record fee and payment information and generate reminder notices when registration fees are due. This is a change from the previous process where invoices were generated in SEAS and debts managed via the Accounts Receivable function. To replace the financial control previously effected through raising invoices and managing collection in the Accounts Receivable function, a formal reconciliation between D365 and SEAS will be performed on a regular basis. This reconciliation will explain differences between total fees registered in D365 with cash received for fees in SEAS. Most fees charged will be registered on D365 and paid. This will be reflected as cash received in SEAS and no debt, and therefore, no debt management will be required.

There are three scenarios (each being a potential difference between D365 and SEAS) where debt management is still necessary after the implementation of the Future Proofing Project:

- Fees chargeable to local authority workers
- Fees chargeable and approved to be delayed, reduced, or waived.
- Fees charged and noted as paid in D365 but remain uncollected as cash received in SEAS.

Fees chargeable to local authority workers

Since August 2022, Applicants and Registrants who are employed by local authorities are no longer asked to pay fees to register with SSSC following an agreement between the Scottish Government and Local Authorities. Funding is provided to SSSC to fully reimburse any fees arising from this agreement. Annual retrospective invoices separate to core Grant in Aid is submitted and reimbursed by the Scottish Government. Debt cumulates through the year as a result and will require to be managed through retrospective invoicing. The documentation and communication surrounding this follows the same approach as other Scottish Government funding mentioned in section 4.

There are no debt management issues associated with this income stream.

Fees chargeable and approved to be delayed, reduced, or waived.

Fees can be deferred in exceptional circumstances.

Where instances arise cases will be approved by the Head of Registration in accordance with the Fee waiver procedure 2024.

Refund of fees

If a registrant has paid their annual fee before the due date and we are told before the annual fee date (registration anniversary) that their circumstances have changed, the fee will no longer be due. For example, where a registrant moves to a post that is not subject to SSSC registration, we refund the fee.

Fees charged and noted as paid in D365 but remain uncollected as cash received in SEAS.

Fees registered and paid on D365 should be cash received via WorldPay to our bank account and posted on SEAS. Due to timing differences and other delays, there will be fees noted as paid on D365, but which remain uncollected in our bank account and SEAS. Such unmatched items will remain part of the reconciliation process either until payment arrives or non-payment is reflected in D365.

Appendix A

Fee reduction/waiver recommendation

Applicant/Registrants name _____

Registration number _____

Fee type

	Waive Y/N	Discount Y/N
Application		
Annual		

Reason for waiver/reduction

Registration Recommendation

Signature _____ **(Head of Reg)**

Date _____

Finance Approval

Approved/Declined

Signature _____

Date _____



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