



SUNDRY DEBTS – QUARTER 3 2015/2016

REPORT OF INTERIM HEAD OF FINANCE (DEPUTY S151 OFFICER)

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

1.1 To inform members of the position on sundry debts as at 31 December 2015.

2. RECOMMENDATION

2.1 That the committee note the current aged debt position for sundry debts.

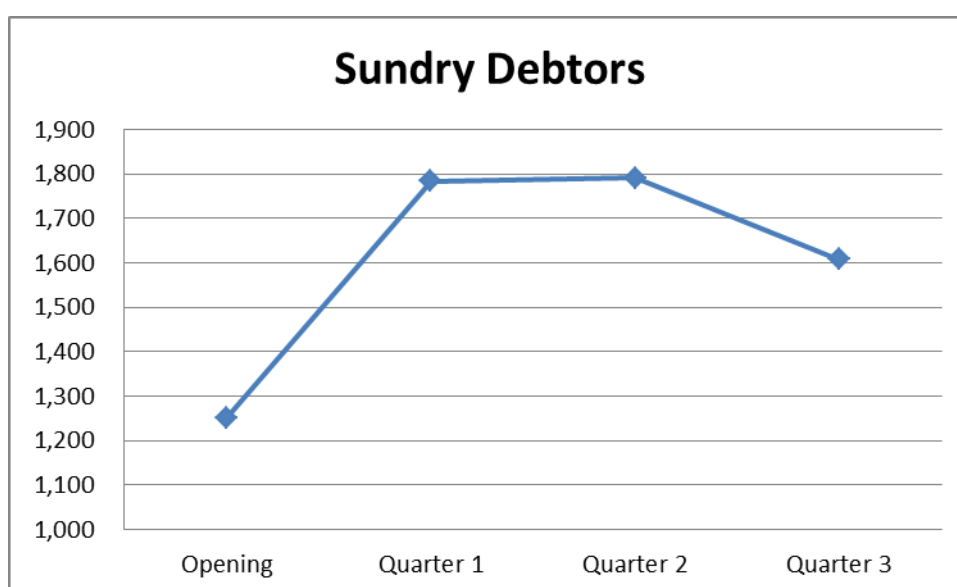
2.2 That the committee note that a report will follow at the next meeting on the action being taken on recovery of estates debt.

3. BACKGROUND TO THE REPORT

3.1 As at 31 December 2015 there were 1,805 sundry debt invoices outstanding with a value of £1,608,241¹ (an average balance of £890.660). This balance can be broken down by age as follows:

Credits and Refunds	Not Yet Due	< 30 Days	30 - 59 Days	60 - 89 Days	90 - 119 Days	> 120 Days	Total Debt
£	£	£	£	£	£	£	£
962	98,361	307,377	348,199	40,371	116,410	698,485	1,608,241

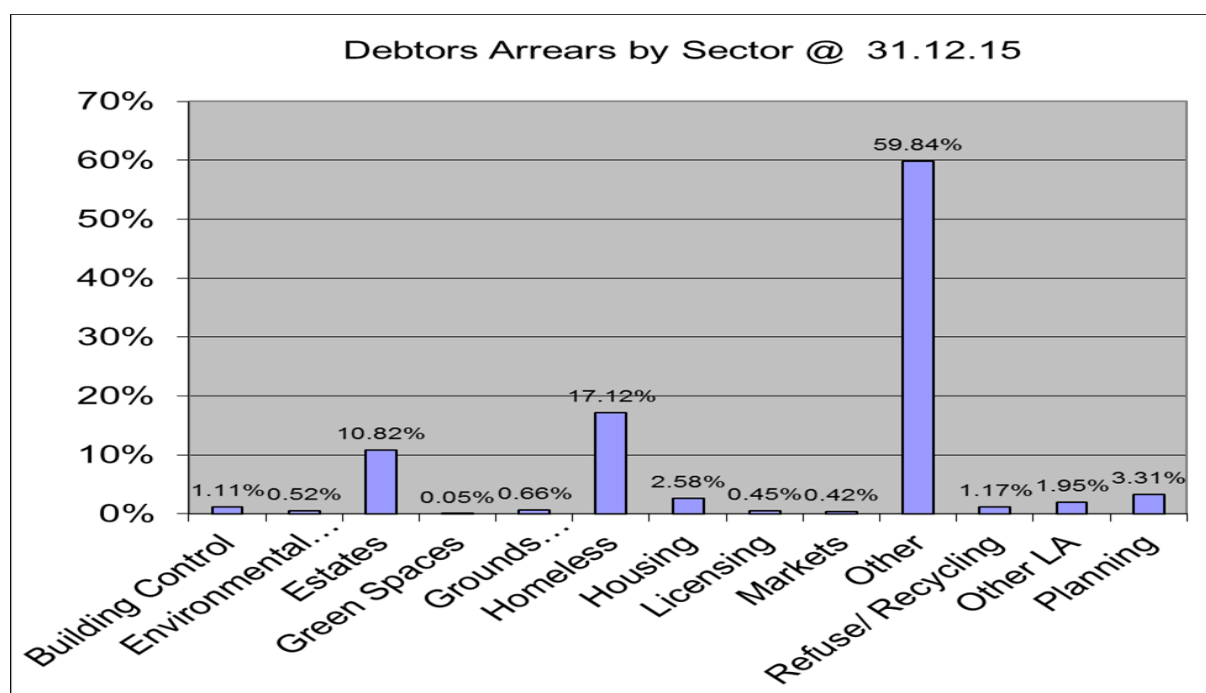
3.2 The value of aged debt has been mapped for 2015/16 for information. The value of debt has decreased marginally since the first quarter, but is higher than the beginning of the year mainly due to the issuing of quarterly invoices in December.



¹ Note, this balance does not include an invoice raised for the CPO amounts due from Tin Hat Partnership as these will be paid through the Council's solicitors and offset by a corresponding payment

3.3 In order to ensure that the Council adopts a prudent approach to accounting for debt that might not be due, a “provision for doubtful debts” is made against the year end balance. The value of this provision for 2014/15 was £131,498

3.4 The split of the current debt position over 120 days by type of debt is detailed below. The largest element is for “Other” debts which are up from 23.76% to 59.84%. There are 4 large debts within this figure which have now been processed. Homelessness Bonds have reduced to 17.12%, from the 22.37% reported at the last committee. The provision of these bonds is funded by the Council’s Homelessness Prevention Grant which is provided by the DCLG annually. Whilst efforts are made to recover these amounts through ongoing contact with tenants by housing and revenues and benefits officers, legal action is not generally taken in these cases. This is on the basis that it is unlikely that the debtor will also be able to pay the additional charges levied and also to uphold the “sentiment” of the Council’s Anti Poverty Strategy.



4. FINANCIAL IMPLICATIONS (IB)

Contained within the body of the report.

5. LEGAL IMPLICATIONS MR

The legal implications are contained within the report.

6. CORPORATE PLAN IMPLICATIONS

Sundry Debts contributes to delivery of all Corporate Plan objectives.

7. CONSULTATION

None.

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Failure to recover debt owed to the Council	Robust recovery methods and monitoring.	Katherine Plummer

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Any future reviews of the Debt Recovery Strategy will be impact assessed to understand any impacts on our community (ie ability for those on lower incomes to pay)

10. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Civica Reports

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