



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FINANCE & PERFORMANCE SCRUTINY 3 APRIL 2017

WARDS AFFECTED: All Wards

SUNDRY DEBTS – Q3 2016/2017

Report of Interim Head of Finance

1. PURPOSE OF REPORT

1.1 To inform members of the position on sundry debts as at 31 December 2016.

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 31/12/2016 there were sundry debts with a value of £2,227,375. 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
£	£	£	£	£	£	£	£
-3,164	7,477	847,153	188,085	209,629	52,245	925,949	2,227,375

3.2 The Council has a KPI for Debt over 90 days old as a % of aged debt, not exceeding 25%. The performance for the end of December 2016 was 17.7%, this is after amendment for items that are known to be covered by agreement, council policy or are to be written off. The total number of invoices over 90 days is 1304, with an average value pf £371.64.

	£	Description
Total debt	2,227,375	
Less	-493,581	Tin Hat
	-135,987	Homelessness

	-80,441	VAT to w/o
	1,517,366	(A)
Over 90 days	978,195	
less	-493,581	Tin Hat
	-134,857	Homelessness
	-80,441	VAT to w/o
	269,316	(B)
Performance	17.7%	Over 90 days/Total debt (amended) B/A
Target	25.0%	

- 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 at the end of October 16 was £139,000
- 3.4 The split of the current debt position over 90 days by type of debt is detailed below. The largest element is for “Estates” debts (30.89%, £150k). This has a large element of debts that are over twelve months old, some may need to be written off, but action is being taken to recover the debts where possible and we are moving to introduce an interest charge where there is late payment. Homelessness Bonds have decreased by £1.6k since the last report to the 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.

Sum of Total Outstanding over 90 days				Q2 to Q3	
	Q1	Q2	Q3	Mvt £	Mvt %
Building Control	£6,475.29	£5,962.09	£4,085.91	-£1,876.18	-31.47%
Environmental Health	£3,024.03	£3,590.03	£2,806.11	-£783.92	-21.84%
Estates	£111,302.48	£160,776.22	£149,694.04	-£11082.18	-6.89%
Green Spaces	£511.00	£637.40	£637.40	£0.00	0.00%
Grounds Maintenance	£4,528.00	£4,870.06	£2,582.56	-£2,287.50	-46.97%
Homeless	£129,494.00	£136,575.43	£134,946.18	-£1,629.25	-1.19%
Housing	£21,735.07	£45,874.76	£34,007.63	-£11,867.13	-25.87%
Licensing	£1,630.00			£0.00	
Markets	£4,614.49	£6,229.55	£5,507.97	-£721.58	-11.58%
Other	£110,459.12	£96,124.68	£97,295.35	£1,170.67	1.22%
Refuse/ Recycling	£12,226.53	£21,300.32	£15,206.41	-£6,093.91	-28.61%
Planning	£36,748.59	£6,155.33	£30,902.67	£24747.34	402.05%
Pest Control	£137.80			£0.00	
Other LA	£402.00	£3,167.61	£5,065.67	£1,898.06	59.92%
Cemeteries		£61.50	£1569.60	£1508.10	2452.20%

Licensing		£50.00	£306.00	£256.00	512.00%
Grand Total	£443,288.40	£491,374.98	£484,613.50	-£6,761.48	-1.38%

4. FINANCIAL IMPLICATIONS (AW)

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.	A.Wilson

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
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Background papers: Civica Reports

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