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Hinckley & Bosworth
Borough Council

Bill Cullen MBA (ISM), BA(Hons) MRTPI
Chief Executive

Date: 30 May 2025

**To: Members of the Finance & Performance
Scrutiny**

Cllr MJ Surtees (Chair)
Cllr P Williams (Vice-Chair)
Cllr DS Cope
Cllr DT Glenville
Cllr LJ Mullaney

Cllr H Smith
Cllr P Stead-Davis
Cllr BE Sutton
Cllr A Weightman

Copy to all other Members of the Council

(other recipients for information)

Dear member,

There will be a meeting of the **FINANCE & PERFORMANCE SCRUTINY** in the De Montfort Suite, Hinckley Hub on **MONDAY, 9 JUNE 2025** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Owen'.

Rebecca Owen
Democratic Services Manager

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- *There are two escape routes from the Council Chamber – at the side and rear. Leave via the door closest to you.*
- Proceed to **Willowbank Road car park**, accessed from Rugby Road then Willowbank Road.
- **Do not** use the lifts.
- **Do not** stop to collect belongings.

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Thank you

A G E N D A

1. APOLOGIES AND SUBSTITUTIONS

2. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES

To be advised of any additional items of business which the Chair decides by reason of special circumstances shall be taken as matters of urgency at this meeting.

3. DECLARATIONS OF INTEREST

To receive verbally from members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the agenda.**

4. MINUTES OF PREVIOUS MEETING (Pages 1 - 4)

To confirm the minutes of the previous meeting.

5. QUESTIONS

To hear any questions received in accordance with Council Procedure Rule 12.

6. LOCAL PLAN BUDGET (Pages 5 - 10)

To inform members of the current Local Plan budgets and expenditure for 2024/25

7. PERFORMANCE AND RISK MANAGEMENT FRAMEWORK END OF YEAR SUMMARY FOR 2024/25 (Pages 11 - 18)

To provide members with an end of year summary

8. CORPORATE SUNDRY DEBTOR RECOVERY POLICY UPDATE (Pages 19 - 42)

To update members on the the Corporate Sundry Debtor Recovery Policy and revise the processes used for recovery

9. NNDR WRITE OFF (Pages 43 - 46)

To seek approval of members to write off business rates in accordance with approval procedures

10. TREASURY MANAGEMENT QUARTER 3 2024/25 (Pages 47 - 52)

To inform members of the Council's Treasury Management activity in the third quarter of 2024/25

11. TREASURY MANAGEMENT QUARTER 4 2024/25 (Pages 53 - 58)

To inform members of the Council's Treasury Management activity in the fourth quarter of 2024/25

12. SUNDRY DEBTS QUARTER 4 - 2024/25 (Pages 59 - 64)

To inform members of the position on sundry debts as at 31 March 2025

13. **FINANCE & PERFORMANCE SCRUTINY WORK PROGRAMME (Pages 65 - 68)**

To update members on the future work programme

14. **ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIR DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY**

As raised under item 3.

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE & PERFORMANCE SCRUTINY

17 MARCH 2025 AT 6.30 PM

PRESENT: Cllr MJ Surtees - Chair
Cllr P Williams – Vice-Chair
Cllr DS Cope, Cllr DT Glenville, Cllr LJ Mullaney, Cllr H Smith, Cllr P Stead-Davis
and Cllr BE Sutton

Officers in attendance: Rebecca Owen, Caroline Roffey and Ashley Wilson

409. **Apologies and substitutions**

Apologies for absence were submitted on behalf of Councillor Weightman.

410. **Minutes of previous meeting**

It was moved by Councillor Sutton, seconded by Councillor Stead-Davis and

RESOLVED – the minutes of the meeting held on 16 December be confirmed as a correct record.

411. **Declarations of interest**

No interests were declared.

412. **Street Scene Annual Review**

Members received the frontline service review report for Street Scene Services. During debate, the following was noted:

- There was no charge the council for removing individual abandoned vehicles
- Some companies had started to use lighter packaging so the weight of recycling had reduced
- The monitoring data for cost of collection would be shared with members
- Rollout of domestic food waste collections would commence over an eight-week period from 1 February 2026 in order to meet the government's target of 31 March 2026
- There remained only a small number of council vehicles using diesel
- More publicity in relation to responsibility for maintenance of trees with ash die back disease was required.

It was requested that future reports contain more financial information on the cost of the service and level of income.

413. Financial Outturn Quarter 3 - December 2024

Consideration was given to the financial outturn for the first quarter of 2024/25. It was noted that the 2027/28 position was less certain.

Members questioned the overspend on the local plan which was ongoing. Members requested a brief report on expenditure on the local plan to the next meeting.

414. Business rates and Pooling update Quarter 3 2024/25

Members were informed of business rates performance to the end of December 2024. It was noted that there had been an increase in the number of refunds requested by businesses who were reducing their operational footprint.

415. Sundry Debts Quarter 3 2024/25

The position in relation to sundry debts at 31 December 2024 was presented. In response to members' questions, the following points were noted:

- Most older debts, with the exception of homelessness, would be paid back in six months to a year
- Data showed that debts were being collected more promptly.

416. Performance and Risk Management Framework 3rd qtr. summary for 2024/25

Consideration was given to the performance and risk management third quarter summary. The following comments were made:

- The cell shading in the table caused confusions and should be removed if it served no purpose
- The tables within the report should be formatted so the table heading displayed on every page
- Audit Committee's terms of reference had been amended to include risk and fraud, whereas scrutiny of risks remained with Finance & Performance Scrutiny
- It would be useful if the table showed positive or negative change.

Members felt that they received only a snapshot of the performance indicators and asked if the full suite could be provided on the members' sharepoint site for context.

Members were not comfortable with the change in reporting on CSMD01 (absence related to work stress, depression, anxiety, mental health and fatigue) to annually rather than quarterly and requested that the reasons for the change be brought back to the next meeting.

417. **Finance & Performance Scrutiny Work Programme**

In considering the work programme, members suggested that the chairs and vice-chairs of the overview and scrutiny bodies be asked to consider whether the budget strategy and budget reports would be more appropriate business for Finance & Performance Scrutiny than the Scrutiny Commission.

It was suggested that progress reports on local government reorganisation, including any proposals to create a town council for Hinckley, be brought to Finance & Performance Scrutiny. In response, it was noted that these would be brought to members at the appropriate times.

(The Meeting closed at 7.40 pm)

CHAIR

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Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance and Performance Scrutiny

9 June 2025

Local Plan budget overview

Report of Head of Planning

1. Purpose of report

- 1.1 To inform Finance & Performance Scrutiny of current Local Plan budgets and expenditure for 2024/25.
- 1.2 The report follows a request from the Finance & Performance Scrutiny meeting of 17th March 2025 for a brief report on expenditure of the Local Plan.

2. Recommendation

- 2.1 Finance & Performance Scrutiny note the expenditure of the Local Plan budget for 2024/25 and note funding contributions received in addition to existing identified budgets for 2025/26.

3. Background to the report

- 3.1 The production of a new Local Plan falls within the Planning Policy Team as part of the wider Planning service. The new Local Plan will replace the existing Core Strategy (2009) and Site Allocations and Development Management Development Plan Document (2015) together with the Area Action Plans in setting out site allocations to meet housing and employment needs together with relevant policies for determining planning applications to 2045.
- 3.2 The new Local Plan has progressed in 2024 to Regulation 18 stage, with a consultation on a draft Local Plan, including strategic site allocations, in summer 2024. This consultation received c. 800 responses. Since this Regulation 18 consultation, the Government published in December 2024 a new National Planning Policy Framework together with an updated formula for

calculating housing need. This updated formula, referred to as the standard method, increased need for the Borough from 433 dwellings per annum to 659 dwellings per annum. This change is reflected in a new Local Development Scheme (LDS) as discussed below.

- 3.3 A new Local Plan, setting out both allocation policies to meet housing and employment needs together with relevant protection and enabling policies, has to be evidenced based to ensure that its contents meet the test of being 'justified'. This evidence base has to support proposed site allocations, policies and strategies and is subject to an examination in public by a government appointed examiner. This examination will include scrutiny of the document by the examiner and also by all relevant statutory consultees, site promoters and members of the public.
- 3.4 The Local Plan includes an identified budget for the required evidence base. The evidence base is a suite of documents, with these produced both in house and through specialist external consultants. Some of these are relevant for the Borough only, with other documents cross boundary and covering either county wide or commissioned jointly with neighbouring Local Planning Authorities.
- 3.5 As identified in the Finance & Performance Scrutiny meeting of 17th March, the Local Plan budget for 2024/25 identified an overspend. This overspend, of actual spend of £374,373 was against an identified budget of £211,571 for Local Plan evidence.
- 3.6 This overspend for 2024/25 for Local Plan evidence can predominantly be allocated to one evidence project – Local Plan Habitat Survey & Burbage Common and Woodland Biodiversity Off-Setting Assessment.
- 3.7 The Local Plan Habitat Survey is not a new Study which has to be undertaken, with similar undertaken in the past to inform previous Local Plans. In 2019 consultants were appointed to undertake the Study at a cost of £48,247.63, and prior to that in 2011 consultants were appointed at a cost of £18,375. However, since the last was commissioned in 2019, the Environment Act (2021) has come into force which has meant that the methodology for assessing sites for their biodiversity value has changed significantly to the UK Habitats Classification System which is a much more rigorous assessment with further recording requirements and has to be completed by specialist ecologists. As such the costs for carrying out such studies has increased substantially.
- 3.8 The Burbage Common and Wood Off-Site Biodiversity Unit Assessment element of the Study will provide the Borough Council with a comprehensive document which follows the latest Government Guidance and legislation in regard to Biodiversity Net Gain and in particular off-site gains so that the Council can take an informed decision in relation to registering Burbage Common and Woodlands as a site for biodiversity units to offset impacts upon biodiversity as a result of development. This part of the document is not normally part of the Local Plan evidence base, and not required in this regard

instead being linked to wider Council aspirations over biodiversity net gain and linked to existing open space management, however combining this with the Habitat Survey provided efficiencies compared to separate commissions for this work and means that Burbage Common can be allocated in the new Local Plan as a strategic off setting site.

- 3.9 The cost for the Local Plan Habitat Survey work was £105,133.93 and for the Burbage Common and Woodland element £24,000. This is a total cost for both documents of £129,133.98. This overspend contributes to the majority of the Local Plan budget overspend for 2024/25. This overspend is for a document that is now fully up to date with existing legislation and also includes a c. £24k addition for the Burbage Common additional evidence.
- 3.10 In addition to the Local Plan Habitat Survey & Burbage Common and Woodland Biodiversity Off-Setting Assessment, other evidence progressed in 2024/25 includes the joint transport assessment, being undertaken jointly with three other Local Planning Authorities, a whole plan viability assessment, infrastructure development plan, strategic flood risk assessment and sustainability appraisal amongst others.
- 3.11 Moving forward to 2025/26, the Local Plan budget includes an identified budget of £202k for evidence. In addition to this the council has recently received Local Plan delivery funding of £227,962.50 from the Ministry of Housing, Communities and Local Government (MHCLG) to assist with Local Plan preparation in light of the new December 2024 National Planning Policy Framework and amendments made to the standard method for calculating housing need.
- 3.12 Expectations of funding delivery included progression of the Local Plan to submission to Government by December 2026. This grant funding applies to Councils current at Regulation 18 stage in their plan making process, with the Council undertaking a Regulation 18 consultation in July-September 2024.
- 3.13 A new Local Development Scheme, setting out the new timetable for the Local Plan, was published in March 2025 and submitted to MHCLG. This sets out two further stages of public consultation on the draft Local Plan, ahead of submission to MHCLG ahead of the December 2026 deadline. The Local Plan would then be examined by an independent examiner in 2027 ahead of adoption by the Council in late 2027 or early 2028.
- 3.14 The grant funding provided is expected to be spent on additional evidence documents, required to progress the Local Plan and taking into account the changes of the December 2024 National Planning Policy Framework and the increase in housing need. The Council's annual housing need has been increased from 433 dwellings per annum (dpa) to now 659dpa, a 50% increase in housing need that will be required to be met in the new Local Plan. This additional housing need does not take into account meeting unmet need from Leicester City, nor any requirement for a buffer.

3.15 The spending of the grant funding will be monitored quarterly by MHCLG, with flexibility to spend the funding on updating existing evidence documents, new evidence documents or additional resourcing to the Planning Policy Team. With this additional funding, no overspend is currently anticipated for 2025/26 for Local Plan evidence.

3.16 The Planning Policy Team will continue to keep Members updated on new Local Plan evidence documents, including presentations and briefing notes on outcomes, and the Local Plan will be progressed through Council as it moves towards the next round of consultation in the autumn.

4. Exemptions in accordance with the Access to Information procedure rules

4.1 Open

5. Financial implications [CS]

5.1 The 20024/25 Local Plan budget was £211,571 with actual spend for the year of £374,373. The overspend of £162,802 was largely due to the Local Plan Habitat Survey & Burbage Common and Woodland Biodiversity Off-Setting Assessment.

5.2 For 20025/26 the Local Plan budget is £202,292. In addition, funding of £227,962 was received from MHCLG in March 2025 and will be spent on additional evidence documents (see 3.14). A carry forward has been submitted to carry the funding forward to 2025/26.

5.3 The additional £227,962 will be added to the Local Plan budget once carry forwards have been approved by Council.

6. Legal implications

6.1 None

7. Corporate Plan implications

7.1 The objectives of this report align to the following corporate plan objective:

<u>People</u>	
2.	Maximise people's potential through employment and skills support
<u>Place</u>	
2.	Keep our town centres vibrant and viable
4.	Improve the quality of existing homes and enable the delivery of affordable housing
<u>Prosperity</u>	

1.	Boost economic growth and regeneration by encouraging investment that will provide new jobs and places to live and work all over the borough
2.	Support the regeneration of our town centres and villages
3.	Support our rural communities
4.	Work with partners to raise aspirations and boost opportunities for training, employment, and housing
6.	Ensure businesses are supported to safeguard and maintain local employment opportunities
7.	Provide direct investment in economic opportunities where opportunities arise and subject to the business case

8. Consultation

8.1 None

9. Risk implications

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives. There is a specific Risk section in the Local Development Scheme relating to the production of the Local Plan which covers issues such as staff resources, legislation, politics, external capacity, finances etc.

9.2 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.

9.3 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
Delivery of the Local Plan	Local Development Scheme kept updated annually, Regular update reports to SLT and Planning Policy Member Working Group. Officers attend 3x different levels of county wide strategic planning meetings to discuss progress and share evidence base	Head of Planning

10. Knowing your community – equality and rural implications

10.1 The funding will ensure continued service delivery to progress the Local Plan.

11. Climate implications

11.1 Service delivery is continually informed by decarbonisation objectives.

12. Corporate implications

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

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: None

Contact officer: Chris Brown – Head of Planning

Executive member: Councillor W J Crooks (Planning) and Councillor K Lynch (Finance)



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance and Performance Scrutiny
Wards affected:

9 June 2025
All wards

Performance and Risk Management Framework End of year summary for 2024/25

Report of Director (Corporate Services)

1. Purpose of report

1.1 To provide members with the end of year summary for:

- Performance Indicators
- Service Improvement Plans
- Corporate risks
- Service area risks

2. Recommendations

2.1 That members:

- Note the end of year status for items listed at 1.1 above.
- Review risks that pose the most significant threat to the council's objectives and priorities.

3. Background to the report

3.1 Hinckley & Bosworth Borough Council provide a wide range of services that are delivered to the community and set strategic aims that help focus on priorities to deliver the council's vision for Hinckley & Bosworth to be: "A Place of Opportunity" This is achieved by managing performance in the following ways:

- Daily within each section
- On a monthly basis within each service area
- On a quarterly basis through the council's decision-making process
- On an annual basis through the production of the council's 'Corporate Plan'

- 3.2 The council's performance is monitored through Service Improvement Plans and includes performance indicators which are measurable. Up until 2010 indicators were a mandatory requirement set by central government. While some indicators are still reported direct to central government there is no longer a set of national indicators that councils must adhere to. However, to monitor and show how well Hinckley & Bosworth Borough is meeting priorities and objectives, the council continues to monitor locally set indicators.
- 3.3 Inherent in the corporate aims and outcomes are 'risks' that create uncertainty. The Council recognises it has a duty to manage these risks in a structured way to help ensure delivery of priorities and to provide value for money services. The council has a Risk Management Strategy which sets out the framework for the monitoring and management of risks.
- 3.4 Performance and Risk Management is embedded into all the Council's business activities in a structured and consistent manner. All Service Improvement Plans which include Performance Indicators and Risks are held and managed on the council's performance management system: INPhase.

4. Overall summary for the period April 2024 to March 2025

4.1 Performance indicators - status summary:

- There were 54 indicators set for the year 24/25
 - 44 were monitored and reported on a quarterly basis
 - 10 were reported at year end only
 - 37 met their set targets (green)
 - 12 missed targets by 15% or less (amber)
 - Five missed targets by more than 15% (red)

4.1.1 Performance indicators that missed their set targets

Table 1 Indicators that missed set targets

Indicator	Target	Actual	% variance	Comments
BV016A - % of HBBC employees with disability	6.5%	5.77%	11.9%	27/468 = 5.77% increase in disabled employees by one
BV017A - % of HBBC employees - ethnic minority	5.7%	4.91%	14.9%	23/468 = 4.91% increase in ethnic minority employees by one
CS001 - % of complaints upheld (Corporate)	30%	45.7%	41.5%	'Upheld in part' now included in upheld figures from 24/25. Change in culture to welcoming complaints and being more open to upholding them

LI008 - % of invoices paid (local businesses) on time	97%	90.44%	7%	late received, late authorisation
BV008 - % of invoices paid on time	97%	95.34%	1.7%	late received, late authorisation
CS6 - No of people referred to level ¾ physical activity referral programs	700	670	4.4%	24/25 was a full year operating in the new referral model, it was always expected that whilst referrals may drop (only 30 off target) Adherence is looking positive across all programmes, reducing the number of DNS.
LI184 - % of food establishments broadly compliant with food hygiene law	95%	94.7%	0.3%	The timing of the inspections are pre-set by the FSA, HBBC has very little control over standards identified during the inspection
HR002 - Average turnaround times minor voids -days	25	37.3	39.5%	Targets for 2025/26 to be reviewed.
HR003 - Average turnaround times major voids -days	70	72.55	3.6%	External contractor completing majority of voids. Performance to be monitored closely in 2025/26
PE3 - Determine action within 21 days where breach of Planning control & is expedient to take action	80%	42%	62%	Additional resource started in Enforcement Team in Jan 2025.
FTE001 - No of fly tipping enforcement actions	40	36	10.5%	Awaiting comments.
R&R6A - % take up of green waste service	78%	74%	5.3%	Subscriptions declined but income increased yr on yr

CSMD01 - Absence related to work stress, depression, anxiety, mental health and fatigue	20%	26.65%	33%	62% of stress related absence is due to personal related issues. HR works with the manager to ensure a RTW is speedy as possible, however given that the issues are non-work related it is an area that is challenging to manage.
CSMD02 - Voluntary and involuntary staff turnover	10%	11.3%	12%	Total 53 leavers (of which 42 were voluntary leavers) overall turnover 53/468 = 11.3%, Voluntary 42/468 x 100 = 9% Involuntary; 11/468 x 100 = 2.3%
CSMD03 - Apprentices as percent of the workforce	2%	1.92%	4%	9 apprentices as at 31 March 2025, 9/468, x 100 =1.92%
CSMD04 - Employees under the age of 25	7%	4.27%	48%	Employees under 25 – 20/468 = 4.27% We continue to attend recruitment fairs and support encouraging the appointment of apprentices and graduates through our processes
LRBP3 – Non- domestic rates, in year collection rate	98.8%	97.8%	1%	Whilst percentage collected has dropped from 2023/24, the total collected has increased to £44,505,055 collected against £40,030,774.85 in 2023/24.

4.2 Corporate Service Improvement Plans - status summary

- 20 Service Improvement Plans were identified as “Corporate”
 - 15 have met or are on schedule to meet their due dates
 - Two have or are showing signs of slippage to their due dates
 - One has been completed
 - Two are no longer viable due to legal issues:
 - To explore viable and long-term options in respect to the provision of temporary homeless accommodation
 - Work with Falcon Support services to implement a hostel for single priority need homeless customers

4.2.1 Corporate Service Improvement Plans that have slipped or are showing signs of slippage to due dates

Table 4 Corporate Service Improvement Plans showing signs of slippage.

Owner	Action	Comments	Target date/s
Malcolm Evans	CP - Hinckley Crematorium. Project Lead in developing a new crematorium site	Partnership options being considered.	30 August 2024

4.3 Corporate risks - status summary:

- 20 risks were identified as “Corporate”
 - Two have been highlighted as high risks (red)
 - 18 have been highlighted as medium risks (amber)
 - One risk has increased in likelihood from medium to high
 - Planning Designation (see table below)
 - One risk has been closed:
 - Space to accommodate food waste collections (new lease in place & work on site commenced)

4.3.1 Corporate risks highlighted as high (Red) net risk level status

Table 5 Corporate risks highlighted as high net risk level status

Risk	Review commentary
Balanced MTFS (A. Wilson)	Savings & new income of £3.4m required in 27/28, caused by unfunded increases cost pressures. This Increases the risk of not setting a balanced budget and issuing a section 114 report. Options are being developed by SLT, but further work needed. These options have been reported to the Executive. Consultation by Government confirms intention is for a reset in 2026/27 in relation to Business Rates which would lead to significant loss of revenue.
Planning Designation (C. Brown)	Planning Committee training in October 2024. Updated response provided to MHCLG in April 2025 following most recent letter. Current figure of 0.8% above Government 10% target for major appeals allowed, however trajectory for 2024/25 drops to 3%.

4.4 Service area/team risks - status summary:

- 40 risks were identified as service area/team risks
 - Two have been highlighted as high risks (red)
 - 17 are medium risks (amber)
 - 19 are low level risks (green)
 - Two risks have been closed:
 - Business Continuity arrangements (Revs & Bens)
 - Effects on the credit crunch (Revs & Bens)

4.4.1 Service area or team risks highlighted as high (Red) net risk level status

Table 7 Service area risks with a high net risk level

IT Security breach – Internal (J. Palmer)	Managed Detect and Response service in place, mitigations still valid.
Meet the need of Gypsy and Travellers (K. Rea)	Gypsy and Traveller evidence currently being updated to reflect up to date need. Identified need to then be met in the Local Plan.

5. Exemptions in accordance with the Access to Information procedure rules

5.1 This report is to be heard in private session.

6. Financial implications [IB]

6.1 There are no financial implications arising directly from this report.

7. Legal Implications

7.1 There are no legal implications arising directly from this report.

8. Corporate Plan implications

8.1 The report provides an update on the performance indicators, service improvement plans and risks which support the achievement of all of the priority ambitions of the Council's Corporate Plan 2024 to 2028

9. Consultation

9.1 Each service area has contributed information to the report and the performance outturn information is available on the council's performance and risk management system INPhase

10. Risk Implications

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

10.2 This report summarizes all risks, strategic and operational (SIP) and therefore considers the risk implications with regards to the Corporate Plan.

11. Knowing your Community – equality and rural implications

11.1 Equality and Rural implications are considered as part of the implementation of the Corporate Plan 2024 to 28.

12. Corporate Implications

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

- Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications
 - Voluntary Sector
-

Background papers: Performance Framework Excel workbooks

Contact Officer: Cal Bellavia, ext. 5795

Executive Member: Councillor SL Bray

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Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Executive Briefing	14 May 2025
Finance & Performance Scrutiny	9 June 2025
Executive	18 June 2025

Wards affected: All wards

Corporate Sundry Debtor Recovery Policy update

Report of the Head of Finance (Section 151 Officer)

1. Purpose of report

- 1.1 To update the Corporate Sundry Debtor Recovery Policy and revise the processes used for recovery.

2. Recommendation

- 2.1 That members approve the updated Sundry Debtor Recovery Policy.

3. Background to the report

- 3.1 The Corporate Sundry Debtor Recovery Policy needs to be updated to reflect up to date recovery requirements. Sundry debts cover all debtors other than Business Rates, Council Tax and HRA related debts. Sundry Debtors therefore includes a wide range of debts including, but not limited to commercial premises rents, waste services, planning and building control fees.

The council will always encourage debtors with financial difficulties to reach out for support and to come to an agreement with the Council. Members will be aware that especially during covid, recovery procedures were somewhat relaxed with legal action for recovery being avoided wherever possible. This policy will see a move back to more enforcement where necessary and appropriate. It is important to note that the majority of debtors this policy applies to are commercial organisations and not individual residents.

- 3.2 The primary aim of the Policy is to issue debt invoices punctually and correctly, and to ensure the council collects all sundry debt owing to it promptly, effectively, efficiently, and impartially, ensuring fair treatment of all customers.
- 3.3 In order to achieve this aim the Council will:
- Raise debt promptly and provide full information to debtors on the reasons for the debt and requirements to pay.
 - Recover all money outstanding in respect of debts owed to the Council.
 - Ensure that appropriate enforcement action is taken to recover debts.
 - Facilitate a coordinated approach to managing multiple debts owed to the Council, where possible.
 - Ensure that the Council engages with debtors when enforcing debts to take appropriate action considering the individual circumstances of the debtor.
 - Identify, where appropriate, the support which may be required for those owing money to the Council.
 - Giving specific considerations to vulnerable customers where appropriate.
 - Apply best practice to debt collection.
 - Minimise the risk of bad debts.
 - Ensure we make early contact to provide support and advice to avoid debt increasing.
 - Encourage our customers to contact us and/or recognised advice agencies as soon as there is a problem and to encourage the use of external agencies to assist individuals.
- 3.4 The key changes in the recovery process are in the table below, which give a time frame tided to legal action being taken when required.

Previous	Proposed	Comment
Except in the case of a demand payable by instalments or as otherwise contractually agreed, the generic recovery action (carried out by finance) for all demands is as follows:	Except in the case of a demand payable by instalments, or, as otherwise contractually agreed, the generic recovery action (carried out by finance) for all demands is as follows:	No change
An invoice will be issued with a payment due date the same date invoice issued.	An invoice will be issued with a payment due date. Typically, this is within 30 days of issue.	To bring into line with public sector expectations on prompt payment.
If no payment is received within 14 days, a first stage reminder letter will be issued giving a further 7 days' notice.	If no payment is received within 14 days of the due date of the invoice, a Stage 1 Letter will be issued giving a further 7 days' notice.	No change.

Previous	Proposed	Comment
If not, payment is received within 7 days a second reminder letter will be issued giving a further 7 days to pay	If no payment is received within 7 days of the Stage 1 Letter, a Stage 2 Letter will be issued giving a further 7 days to pay. Note, if the amount is £10,000 or less offer the debtor court mediation before taking the claim formally to court.	Introduced offer of court mediation.
If no payment is received within 7 days, a final written letter will be issued	If no payment is received within 7 days of the Stage 2 Letter, a Final Demand Letter will be issued.	No change.
If no payment is received within 7 days, the debt will be passed to legal services to consider further action	If no payment is received within 7 days of the Final Demand Letter, the debt will be referred to court by Finance for debts of less than £25,000 and passed to Legal Services to consider further action for sums totalling more than £25,000.	Finance can take Debtor to court without referral to legal services for smaller claims of less than £25k, no action is currently being taken.
Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled	Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled.	No change, but no actions currently being taken.
We will encourage people with payment problems to come forward early to discuss their individual circumstances.	We will encourage people with payment problems to come forward early to discuss their individual circumstances.	No change

3.5 In carrying out recovery action the Council will follow the principles outlined below.

- **Proportionality** – Proportionality allows for a balance to be struck between the potential loss of income to the Council and the costs of compliance.
- **Consistency** – Consistency means taking a similar approach in similar circumstances to achieve similar ends.
- **Transparency** – Transparency is important in maintaining public confidence. It means clearly explaining the reasons for taking any recovery/enforcement action. The Council will ensure that all recovery documentation is clear and informative so that debtors are fully aware of the procedures and consequences and options available.
- **Vulnerable debtors** – Any action to recover debts will take account of the debtor's personal circumstances. We may not pursue recovery of debts where exceptional circumstances exist, and recovery of the debt would cause unreasonable hardship to the debtor. In determining genuine financial hardship,

the Council will require an applicant to confirm the causes of the hardship or factors that have contributed to a downturn in business, these have to be beyond the control of the debtor, and they will have to provide documented evidence of such hardship or downturn including but not limited to the impact on the sales of Goods and Services and bank statements confirming the impact on cash available to settle the amount due

- 3.6 Also, for the first time HBBC will offer court mediation to come to a binding agreement where court action is the next step for full recovery. This can also help reduce the costs of recovery.
- 3.7 Mediation is still organised by the court. The court will offer mediation if the claim is for £10,000 or less and the defendant disputes it. This service is free. If both sides agree to mediation, a mediator from HM Courts and Tribunal Service (HMCTS) will be appointed.

Links to other Policies and Strategies

- 3.8 A number of Council policies and strategies contribute to and complement the Corporate Sundry Debt Recovery Policy and should be read in conjunction. These include:

- Council Tax, Non-Domestic Rates (Business Rates) and Benefits Overpayments Recovery Policy
- HRA Rent arrears Policy.
- Financial Procedure Rules
- Corporate Anti-Fraud Policy
- Anti-Fraud Framework
- Whistle Blowing Policy
- Equality Policy

4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 Report is to be taken in open session.

5. Financial implications [AW]

- 5.1 None directly from this report

6. Legal implications [ST]

- 6.1 None

7. Corporate Plan implications

- 7.1 A robust recovery policy is required to ensure that resources are effectively collected to ensure delivery of all the aims, outcomes and targets included in the Council's Corporate Plan.

8. Consultation

- 8.1 All members of the Strategic Leadership Team have been consulted in preparing this Policy.

9. Risk implications

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all 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.

10. Knowing your community – equality and rural implications

- 10.1 The prompt recovery of income forms part of the Council's budget process budget process, which in turn fund and has will impact on all areas of the Borough and all groups within the population.

11. Climate implications

- 11.1 The stewardship of the financial resources of the council underpins all policy actions to address the council's objectives in ensuring it manages its resources to ensure climate considerations are achieved in accordance with the corporate plan.

12. Corporate implications

- 12.1 By submitting this report, the report author has taken the following into account:
- Community safety implications
 - Environmental implications
 - ICT implications
 - Asset management implications
 - Procurement implications
 - Human resources implications
 - Planning implications
 - Data protection implications
 - Voluntary sector

Background papers: None
Contact officer: Ashley Wilson

Executive member: Cllr K Lynch



Hinckley & Bosworth Borough Council

CORPORATE SUNDRY DEBT RECOVERY POLICY

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1. Introduction

- 1.1. This Policy sets out the general principles to be applied in relation to sundry debt management across all services provided by this Council. . Sundry debts cover all debtors other than Business Rates, Council Tax and HRA Housing related debts (i.e. rent). It therefore includes a wide range of debts such as commercial premises rents, waste services, planning and building control fees. All budget holders must take note and apply this Policy to ensure that the Council maximises the collection of debts and income in the most efficient, fair, and cost-effective manner.
- 1.2. It is the Council's policy both to ensure that money owed to the Council is recovered so far as possible and to ensure that people receive benefits to which they are properly entitled.
- 1.3. Wherever possible the Council will distinguish between those who cannot pay their debts and those who will not pay them. Where genuine hardship exists, the Council's officers will adopt a sympathetic and reasonable approach, including referring them to the Council's Welfare Support Service.
- 1.4. This Policy sets out the general principles to be applied in relation to debt management across all services provided by the Council.
- 1.5. The management of income is a key business area for the Council. The Council collects income from many streams; some of this activity is governed by legislation while others by sound principles of financial management. The key to economic, efficient, and effective income management is the creation and maintenance of a clear framework that sets out the approach, principles, and strategy within which all activities will be conducted.
- 1.6. This Policy covers procedures relating to the sundry debt only. Additional policies relating to housing rent and revenues and benefits debts are in place.

2. Aims of the Policy

- 2.1 The primary aim of the Policy is to issue debt invoices punctually and correctly, and to ensure the council collects all sundry debt owing to it promptly, effectively, efficiently, and impartially, ensuring fair treatment of all customers.
- 2.2 In order to achieve this aim the Council will:
 - Raise debts promptly and provide full information to debtors on the reasons for the debt and requirements to pay.
 - Recover all money outstanding in respect of debts owed to the Council.

- Ensure that appropriate enforcement action is taken to recover debts.
- Facilitate a coordinated approach to managing multiple debts owed to the Council, where possible.
- Ensure that the Council engages with debtors when enforcing debts to take appropriate action considering the individual circumstances of the debtor.
- Identify, where appropriate, the support which may be required for those owing money to the Council.
- Giving specific considerations to vulnerable customers where appropriate.
- Apply best practice to debt collection.
- Minimise the risk of bad debts.
- Ensure we make early contact to provide support and advice to avoid debt increasing.
- Encourage our customers to contact us and/or recognised advice agencies as soon as there is a problem and to encourage the use of external agencies to assist individuals.

3.Key Principles

3.1. The council will follow the principles outlined below when recovering debt:

- Our action will be proportionate, allowing for a balance to be struck between the potential loss of income to the council and the costs of compliance.
- Our approach will be consistent, taking a similar approach in similar circumstances to achieve similar ends; this needs to be maintained, whilst at the same time considering the specific circumstances of each case
- Our actions will be transparent; helping people to understand what is expected of them and what they should expect from the council. It also means clearly explaining the reasons for taking any recovery/enforcement action.
- Additionally, our intention will be to be firm and fair, and our manner will be courteous.

3.2. Where necessary when working with debtors the Council will provide additional support with the aim of maximising their income by: -

- Providing welfare support advice to ensure the debtor is receiving any benefits, reductions and discounts they are entitled to.
- Promoting and referring debtors to agencies who can offer personal budgeting support / debt advice/ affordable credit.
- We will encourage people with payment problems to come forward early to discuss their individual circumstances.

- 3.3. The Council welcomes the involvement of welfare agencies where authorised by the debtor in connection with debts due to the Council. The benefits that these organisations offer both the debtor and the Council in prioritising repayments to creditors and in maximising income available to the debtor are recognised.
- 3.4. The Council supports the provision of advice from the following agencies and will work in conjunction with them for the benefit of the debtor.
- Age Concern
 - Citizens Advice Bureau (CAB)
 - Shelter

4. Roles and Responsibilities

- 4.1 The **Head of Finance** is the Council's Chief Financial Officer (section 151 officer) in accordance with the Local Government Finance Act. The Head of Finance is responsible for the organisation and supervision of all income arrangements, which includes proper accounting, management reporting, and collection arrangements. To achieve this, the Head of Finance assigns responsibility to budget holders of the team whose service provision gives rise to the debt or potential income with appropriate support provided by the Accountancy Manager and Income Officer.
- 4.2 **Budget holders** are responsible for notifying the finance team of any debt that is due. As the ultimate "owner" of the debts, budget holders should advise finance and legal of any circumstances relating to the debt or the debtor's position to inform them of the most effective method of debt recovery. Budget holders are responsible for requesting write-offs of debts when deemed irrecoverable. These requests should be sent to finance for authorisation by the Head of Finance.
- 4.3 Within the Council's finance team, the **Income Officer**, under the supervision of the **Accountancy Manager**, holds responsibility for administering the raising of debts and maintaining appropriate records. The finance team are responsible for the initial stages of debt recovery, as well as monitoring and reporting on the Council's aged debt position. The finance team will ensure that there are dedicated finance officers in maintaining the necessary separation of invoicing / pursuit of payment duties from the actual receipt of monies. All managers should be aware of the need to keep these two roles separate (segregation of duties).
- 4.4 The Council's **legal team** is responsible for evaluating and administering all legal proceedings relating to aged debt, as deemed appropriate in consultation with the finance team. Only debt where it is financially and economically not viable as the amounts involved in

recovery are greater than the debt outstanding should legal proceeding not be conducted.

5. Principles of Enforcement - all sundry debts

- 5.1. Where a debt remains outstanding for a service provision and there is no statutory obligation to provide the service, consideration will be given to terminate the service until such time that the debt is brought up to date.
- 5.2. Costs incurred are the responsibility of the debtor. The aim of the policy is to minimise such costs wherever possible.
- 5.3. Payment orders made by a Court will take priority over any informal payment arrangement.
- 5.4. We will utilise all methods of recovery available including the use of legal proceedings and Enforcement Agents where appropriate.
- 5.5. Enforcement agents and debt collection agencies instructed by the Council will always be required to work within agreed guidelines, legislation, and Codes of Practice.

6. Links to other Policies and Strategies

- 6.1 A number of Council policies and strategies contribute to and complement the Corporate Sundry Debt Recovery Policy and should be read in conjunction. These include:
 - Council Tax, Non-Domestic Rates (Business Rates) and Benefits Overpayments Recovery Policy
 - HRA Rent Arrears Policy.
 - Financial Procedure Rules
 - Corporate Anti-Fraud Policy
 - Anti-Fraud Framework
 - Whistle Blowing Policy
 - Equality Policy

7. Raising of Sundry Debts

- 7.1 Budget holders are responsible for raising debtor invoices in their own service areas or notifying finance of the debt that is to be raised. When notifying finance, the following information should be provided:
 - The name and address of the debtor
 - The amount of debt to be raised.
 - Narrative to include on the invoice outlining the nature of the debt and which period (if applicable) the charge relates to
 - The purchase order reference as issued by the debtor (if applicable)

- The cost centre to which income should be receipted.
 - Any VAT rate should be applied.
- 7.2 All fees and charges should be raised in accordance with the Council's published Fees and Charges listing.
 - 7.3 Sundry debt accounts should only be raised where payment in advance for a service is inappropriate or there are alternative contractual arrangements in place, such as invoicing for rent or other supply in advance of that service being delivered.
 - 7.4 There is currently no minimum level for invoices. That said, budget holders should pay due regard to whether debts can be combined to achieve efficiency of processes.
 - 7.5 Debtor's invoices must be raised promptly and within one calendar month of the service provision. Budget holders must notify the Accountancy Manager and legal services when any contract, lease or arrangement is made, whose terms provide that the Council should receive money.
 - 7.6 Where a continuing supply is involved, invoices should be issued periodically, within five working days of the end of each period or, if payment in advance is appropriate, five working days in advance of the end of each period. The timing of invoices needs to take account of the Council's legal obligations under relevant legislation. In the case of accumulated invoices these should be raised, as far as possible, within 5 days of the last service date being charged.
 - 7.7 Where the potential for a statutory benefit or discount exists in relation to the debt, the budget holder is responsible for making the debtor aware of such opportunities and they will be assisted and encouraged to apply for these.
 - 7.8 Budget holders must ensure the Council is not breaching legislation by levying a charge for a service, or by pursuing recovery of sums arising from a service provision.
 - 7.9 The Civica system (or any replacement system that serves its function) will be used to raise invoices (and subsequent reminder letters), using approved Council Stationery.
 - 7.10 Every demand for money will be correctly addressed to the person who is liable to pay it. The name on the demand will be that of a person or body possessing "legal personality".
 - 7.11 Demands will, wherever possible, be issued on the day of production.
 - 7.12 All invoices issued by the Council will comply with the corporate style guidance and be readily identifiable as being from the Council. All bills

and notices will be clear, accurate and timely indicating what must be paid and when.

- 7.13 In the interest of economy and where appropriate all demands, reminders and final notices shall be issued by email as a preference or by 2nd class post unless contrary to regulations or other statutory or legal requirements.
- 7.14 All relevant information relating to a demand will be kept either in paper or scanned image format until at least six years after the demand is raised. If at the end of that six-year period the demand remains unpaid, the supporting documentation will be retained until either the bill is paid, or the debt is written off.

8. Payment of Sundry Debts

- 8.1 The Council will encourage the most cost-effective payment methods with the emphasis being on unmediated electronic means where possible. "Unmediated" in the context of electronic payment methods means a method of payment that requires no human intervention by officers of the Council to achieve its crediting to the account in question.
- 8.2 Customers may request an instalment arrangement, even when they are not generally available. The responsible budget holder, in liaison with finance, will consider each request on the following basis: the instalment amount offered; frequency of the payments; and the likelihood of a customer meeting the arrangement. The Council's general terms will apply in each case. If the Council is unable to accept an instalment arrangement, the officer must give a clear explanation of this to the customer.
- 8.3 An agreed payment plan should be a realistic representation of what the debtor can afford to pay over the period agreed but should at the same time mean that the Council is recovering some of the debt. Agreed payment plans are mutually beneficial for both parties because:
- The Council can recover the debt, albeit over a longer period, and at the same time avoid the costs associated with enforcement action.
 - The debtor can make repayments that are within their means and at the same time avoid becoming involved in any more serious debt enforcement action.
- 8.4 All debts should be paid in full by the due date. Therefore, if officers agree to an arrangement and the customer defaults, without having contacted the Council in advance, the remaining balance becomes due in full.

9. Recovery of Sundry Debts

- 9.1 The Council recognises that prompt recovery action is key in managing its debt and maximising income.
- 9.2 In carrying out recovery action the Council will follow the principles outlined below.
- **Proportionality** – Proportionality allows for a balance to be struck between the potential loss of income to the Council and the costs of compliance.
 - **Consistency** – Consistency means taking a similar approach in similar circumstances to achieve similar ends.
 - **Transparency** – Transparency is important in maintaining public confidence. It means clearly explaining the reasons for taking any recovery/enforcement action. The Council will ensure that all recovery documentation is clear and informative so that debtors are fully aware of the procedures and consequences and options available.
 - **Vulnerable debtors** – Any action to recover debts will take account of the debtor's personal circumstances. We may not pursue recovery of debts where exceptional circumstances exist, and recovery of the debt would cause unreasonable hardship to the debtor. In determining genuine financial hardship, the Council will require an applicant to confirm the causes of the hardship or factors that have contributed to a downturn in business, these have to be beyond the control of the debtor, and they will have to provide documented evidence of such hardship or downturn including but not limited to the impact on the sales of Goods and Services and bank statements confirming the impact on cash available to settle the amount due.
- 9.3 All statutory methods of enforcement of debts shall be available for use. If there is a refusal to pay an invoice, the council will take legal action to collect the overdue debt. This applies if:
- There is no response to any requests for payment.
 - There is a commitment to pay, and it is not honoured.
 - An agreement to provide information or contact us by a specified future date is not complied with.
 - A failure to provide evidence of why you can't pay.
 - There is no adherence to any agreed payment arrangement.

Enforcement action can include:

- Referral to a Third-Party Debt Collection Agency
- Issue a claim and enforce this through the Small Claims Court
- Referral to internal Solicitors to issue a claim and enforce this through the County Court
- Referral to High Court for the debt to be enforced by a High Court Sheriff.
- Potential enforcement action to recover the debt may involve:
 - Warrant of Execution – Court Bailiffs ('enforcement agents')
 - Charging Order – a Legal Charge over your land or property

- Attachment of Earnings – deductions will be made directly from your wages.
- Third Party Debt Order – an amount owed to you by a third party will be frozen and paid directly to us.
- Order to Obtain Information – you will be ordered to attend Court and be examined in relation to the debt under Oath.

9.4 If enforcement action is taken, additional charges including Court costs, interest and compensation charges will be added to the overdue debt. these will be in line with the following:

- Section 69 County Courts Act 1984 (interest charged at 8%)
- Late Payment of Commercial Debt (Interest) Act 1998 (interest charged at 8% above the Bank of England Base Rate).

9.5 Except in the case of a demand payable by instalments, or, as otherwise contractually agreed, the generic recovery action (carried out by finance) for all demands is as follows:

- An invoice will be issued with a payment due date. Typically, this is within 30 days of issue.
- If no payment is received within 14 days of the due date of the invoice, a Stage 1 Letter will be issued giving a further 7 days' notice.
- If no payment is received within 7 days of the Stage 1 Letter, a Stage 2 Letter will be issued giving a further 7 days to pay. Note, if the amount is £10,000 or less offer the debtor court mediation before taking the claim formally to court. (see <https://www.gov.uk/make-court-claim-for-money/mediation>)
- If no payment is received within 7 days of the Stage 2 Letter, a Final Demand Letter will be issued.
- If no payment is received within 7 days of the Final Demand Letter, the debt will be referred to court by Finance for debts of less than £25,000 and passed to Legal Services to consider further action for sums totalling more than £25,000.
- Where legally permissible, the provision of future services to the debtor will be suspended until outstanding debts are settled.
- We will encourage people with payment problems to come forward early to discuss their individual circumstances.

Stage	Action	Days	Cumulative Days
Invoice issued	With payment due date within 30 days	30	30
Stage 1	If no payment within 14 days of the payment due date, send Stage 1 Letter giving a further 7 days	14	44
Stage 2	Stage 2 Letter giving a further 7 days	7	51
Stage 3	Final written letter, including wording to encourage debtors in	7	58

	difficulty to contact the council to discuss payment options. This includes notice that the debt will be referred for legal recovery action. Payment or payment arrangements to be in place within 7 days to avoid court action. See County Court procedures required on : https://www.gov.uk/make-court-claim-for-money		
Stage 4	For items less than £25K when debt is 90 days old. Court claim procedures can be instigated by Finance. Items over £25k refer to legal services for legal recovery.	32	90
Stage 5	Failure to comply with legal decision by due date, refer to Council's Enforcement Agents	As given by court	

9.6 Ownership of all sundry debts rests with the originating services who can issue an instruction to cancel an invoice if it is appropriate and justified to do so. It is the responsibility of the originating services to correspond with or discuss with the debtor, issues relating to the validity of the debt if the validity is being challenged by the debtor.

9.7 When dealing with all debt enforcement and collection cases, local authorities should ensure that accurate records are kept of:

- A debtor's details including their personal circumstances and anything that could impact on their ability to repay the debt.
- Any other agencies that could be involved, such as social services or mental health teams.
- The total debt including any additional costs incurred, for example, enforcement agent costs or court fees.
- Any discussions with the debtor concerning repayment.
- Any payment plans that have been agreed and the debtor's compliance (or lack of compliance) with any such plan.
- Any enforcement action taken.
- Any other relevant correspondence with the debtor including anything that they have sent, such as bank statements or income and expenditure forms.

9.8 Keeping full and comprehensive records of all aspects of a debt recovery case will also:

- Enable cases to be dealt with quickly.

- Ensure that the Council has a detailed picture of a debtor's circumstances and will be able to consider the best method of recovering a debt from them.
 - Assist a debtor making a formal complaint to the Council or the Local Government Ombudsman (LGO) about how their case has been dealt with, as the background to the complaint can be easily investigated.
- 9.9 Debts should be collected as due and not allowed to build up with no clear payment plan. Anything other than this will lead to more hardship and perhaps start a downward spiral on the ability of the debtor to manage all debts.
- 9.10 Once a debt has reached a final written warning stage consideration of legal enforcement is required.
- 9.11 The initial consideration will be to establish if there are multiple debts between services and to make sure there is liaison with the other services such as Housing and Revenue and Benefits, to determine the relative priority of the individual debts for both the individual concerned and the staff preparing settlement. In such cases, staff are expected to liaise and agree an appropriate means of coordinated recovery. Overall, our approach will be a proactive one to provide for multiple debt payments. In assessing the payment, we will have regard to:
- Circumstances of debtor
 - The size of the debt
 - Its relative priority
 - Consequences of failure to pay.
 - Increases in the debt.
- 9.12 Following this assessment, a joint decision by the services involved can then be made on taking legal actions via a court claim. If services cannot agree, the decision will be made by the S151 Officer.
- 9.13 For amounts less than £25,000 the Controls Accountant and Exchequer Team Leader can, after notifying the Section 151 Officer, make a court claim without referral to legal services. For amounts above £25,000 the decision should be referred to legal services for consideration. The Controls Accountant and Exchequer Team Leader may have to attend court if required as part of the process (see 9.16, below, for more details on court procedures)
- 9.14 For items that are passed to legal services to consider for further action, a judgment by legal officers will need to be documented as to if it is worth enforcing and if the debtor has any assets against which the judgment can be enforced. If it is decided that the costs of legal recovery are higher than the value of the debt, consideration of writing off the debt will be made and documented by the S151 Officer for approval for write off in accordance with the financial procedure rules.

- 9.15 Using a court incurs fees. The fees, as of March 2024, are set out below. If the outstanding amount is less than the court fees, then it is economically inefficient to use the court to settle the recovery of debt, and action should not be taken. The court fee is based on the amount, inclusive of interest, being claimed. (See 9.4)

Claim amount	Fees
Up to £300	£35
£300.01 to £500	£50
£500.01 to £1,000	£70
£1,000.01 to £1,500	£80
£1,500.01 to £3,000	£115
£3,000.01 to £5,000	£205
£5,000.01 to £10,000	£455
£10,000.01 to £200,000	5% of the claim
More than £200,000	£10,000

What is a court claim

- 9.16 An application can be made to a county court to claim money owed to the council by a person or business. This is known as making a court claim. It was formerly known as taking someone to a 'small claims court'. Applications can be made online or by post. More detail can be found on the link below:

<https://www.gov.uk/make-court-claim-for-money/make-claim>

- 9.17 Claim the interest.** The Council can claim interest on the money owed. The interest will be calculated for you if you claim for an unspecified amount.
- 9.18 The amount of interest will need to be calculated when claiming for a fixed ('specified') amount of money.
- 9.19 Interest can be charged on late commercial payments for goods, or services. This is called 'statutory interest' - this is 8% plus the Bank of England base rate for business-to-business transactions. Statutory interest cannot be claimed if there's a different rate of interest in a contract.
- 9.20 For other types of debt, the rate is usually 8%. To calculate this, use the steps below.
- Work out the yearly interest: take the amount you're claiming and multiply it by 0.08 (which is 8%), then divide your yearly interest from by 365 (the number of days in a year) and multiply the daily interest from step 2 by the number of days the debt has been overdue.

- 9.21 A mediation service could be quicker and cheaper than going to court. Mediation is when an impartial person helps both sides work out an agreement.
- 9.22 Mediation organised by the court** - The court will offer mediation if the claim is for £10,000 or less and the defendant disputes it. This service is free. If both sides agree to mediation, a mediator from HM Courts and Tribunal Service (HMCTS) will be appointed.
- 9.23 The mediation appointment** - If both sides agree to mediation, a date and time will be advised for a telephone appointment.
- 9.24 The Small Claims Mediation Service can be contacted as below:
- Small claims mediation service
scmreferrals@justice.gov.uk
Telephone: 0300 123 4593
Monday to Friday, 9am to 5pm

Use of Enforcement Agents (Bailiffs)

- 9.25 Enforcement Agents are employed as a last resort and follow a strict code of conduct agreed with the council and in accordance with the National Standards for Enforcement Agents. After all attempts to gain payment have failed, a debtor's account may be passed to the bailiffs for collection. The bailiff is employed to obtain goods belonging to the debtor and sell them to pay off the debt.
- 9.26 Enforcement Agents will make arrangements for payment under guidelines provided by the council. Their charges are set in law.
- 9.27 Once an account is passed to the enforcement agents, all future payments must be made directly to them. Unless there are exceptional circumstances, no arrangements or payments will be accepted by the Council.
- 9.28 Enforcement Agents strict Code of Practice ensures that approval to remove must be sought from the Council prior to the removals of goods from the debtors' home.

10. Write-Off of Sundry Debts

- 10.1 The Council recognise that where a debt is irrecoverable, prompt, and regular write-off of such debts is good practice.
- 10.2 The Council will seek to minimise the cost of write-offs by taking all reasonable action to recover what is due. All debts will be subject to the

full recovery, collection and legal procedures as outlined in this policy before write-off is considered.

- 10.3 Irrecoverable debts will be referred to the authorised signatory as per the constitution as needed, but within 30 days of the budget holder considering the debt to be irrecoverable. With sufficient information to be able to identify the amounts, customer and invoices the write off relates to and what time period it covered.
- 10.4 The limitations for writing off irrecoverable debts are those contained within the Council's Financial Procedure Rules.
- 10.5 Debts may be referred to authorised officers for write-off in the following circumstances:
- Debt remitted by a Magistrate.
 - The Council has evidence to confirm the claimant is suffering a severe physical or mental illness, which renders enforcement action inappropriate.
 - The Council is unable to trace the debtor.
 - The debt is not cost-effective to pursue due to small balance.
 - The debt is not cost-effective to pursue due to the likelihood of payment balanced against the cost of proceedings.
 - The claimant has died and there are no or insufficient funds in the estate to settle the debt.
 - The claimant is subject to formal insolvency proceedings and there is little likelihood of a dividend.
- 10.6 All accounts that are written off will be written off against the income code against which they are raised.

11. Policies Relating to the Monitoring of Sundry Debt

- 11.1 On a monthly basis, a report showing all debts over 120 days is passed to all budget holders. It is the budget holders' responsibility to review this listing and to advise finance whether to write off the debt, any reasons not to pursue legal action against the debtor, make arrangements to get the debt cleared or cancel the debt (if inaccurate).
- 11.2 The Council has a performance indicator for debt over 90 days old as a % of aged debt. This is monitored quarterly as part of the Performance Management Framework. Where either national or local performance indicators exist, the Council will strive for top quartile performance and will publish actual performance against these targets as required.
- 11.3 A report showing performance against the set indicator and the profile of aged debt month on month is reported to the Finance, Audit and Performance Committee on a quarterly basis.

- 11.4 In accordance with CIPFA Code of Practice on Local Authority Accounting in United Kingdom, a bad debt provision is calculated annually and accounted for as part of the Statement of Accounts. This is based on the age of the debt and factors known by budget holders affecting its recoverability.

12. Policies relating to the Social Welfare of Debtors

- 12.1 Equality and diversity considerations will be considered in accordance with the Council's Equalities Policy. Specifically, staff seeking to recover debts will have regard to:

- Ensuring information is accessible through translations, larger print versions or sign language, as appropriate to the needs of the debtor.
- The need for home visits where the debtors are unable to access advice services.

- 12.2 Budget holders will be able to intervene in the recovery cycle in appropriate circumstances to deal with hardship or dispute situations. This includes the ability to make deferred payment arrangements where immediate payment is impossible due to lack of means. Recovery procedures should not be so rigid as to cause unnecessary hardship or to prevent an individual approach and flexibility where appropriate.

- 12.3 The Council welcomes the involvement of welfare agencies were authorised by the debtor in connection with debts due to the Council and recognise the benefits that these organisations can offer both the debtor and the Council in prioritising repayments to creditors and in maximising income available to the debtor.

- 12.4 The Council supports the provision of advice from a number of agencies (including those below) and will work in conjunction with them for the benefit of the debtor.

- Age UK
- Citizens Advice Bureau (CAB)
- Shelter
- Clockwise Credit Union
- Jobcentre Plus
- National Debt Helpline
- Turn2us
- EDF Energy Trust
- British Gas Energy Trust (open to all customers)
- Energy Savings Trust
- Severn Trent Trust Fund
- Breathing Space

- 12.5 The Language Line facility is to be used as an aid to improve verbal communications with those customers for whom English is not their first

language. Language Line provides immediate access to a professional qualified telephone interpreter in 150 languages 24 hours a day 365 days per year.

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Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance and Performance	9 June 2025
Executive	18 June 2025

Wards affected: All

Business Rates Write off

Report of Head of Finance

1. Purpose of report

- 1.1 To seek approval of members to write off business rates of £54,840.22 in accordance with approval procedures.

2. Recommendation

- 2.1 That the following amounts in the table below are approved for write off by the Council due to insolvency:

Description	Liabe Period	Amount	Comments
Unincorporated Trader	2022/23	£28,848.75	Notified of occupation in February 2023, trader vacated May 2023. Forwarding address does not exist. The Landlord states he disappeared, and he cannot. Given circumstances and unable to trace have little option but submit for consideration of write off.
Limited Company	2023/24-2024/25	£25,991.47	All available enforcement and recovery options have been exhausted, and the business was struck off Companies House 25th February 2025.

3. Background

- 3.1 The Business rates of £54,840.22 noted in the table at 2.1 above are no longer recoverable and need to be written off. These amounts have already been accounted for in the financial statements and budget, with provisions made for 2023/24 and 2024/25, so will not change the current budgeted position. Our share of the write off is £21,936.09. In all cases legal action was taken, where appropriate, in an attempt to

collect the amount outstanding, and recovery procedures have been exhausted. The Constitution require Council to approve the write off, of debts over £50,000.

4 Implications

- 4.1 For the 2023/24 and 2024/25 year the budget had allowed for business rates growth of £3.7m and £4.35m respectively, mainly due to expectation of businesses becoming occupied and increases in Section 31 grant. This means that the loss to us of £71,349.50 will reduce the expected growth, but due to use of the provisions it has been possible to prevent the impact of the lost rates falling on the general fund. If the provision is at any time exhausted, then equalization reserve would have been used to offset the impact on the general fund. In the past members have agreed to keep this reserve at a minimum of £1,250,000.

5. Financial implications [IB]

- 5.1 Contained in the body of the report.

6. Legal implications

- 6.1 Section 25 of the Local Government Act (2003) requires the Section 151 officer to report on the robustness of the estimates made within the budget and the adequacy of the financial reserves.

7. Corporate Plan implications

- 7.1 A robust General Fund Budget is required to ensure that resources are effectively allocated to ensure delivery of all of the aims, outcomes and targets included in the Council's Corporate Plan.

8. Consultation

- 8.1 None

9. Risk implications

- 9.1 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 the 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 have been identified, assessed and that controls are in place to manage them effectively.

No significant risks are associated with this report.

10. Knowing your community – equality and rural implications

- 10.1 There are no direct implications arising from this report.

11. Climate implications

- 11.1 There are no direct implications arising from this report. However financial planning is a key tool for delivering the corporate priorities of the Council. Included in those priorities are the Climate change considerations for services. The budget decisions

made by members in relation to issues such as Council tax, fees and charges, and in the longer-term asset investment directly affect the council's abilities to invest in climate change priorities.

12. Corporate implications

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

- Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications
 - Voluntary Sector
-

Background papers: None

Contact officer: Ashley Wilson

Executive member: Cllr K Lynch

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Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance & Performance Scrutiny 09 June 2025

Wards affected: All Wards

Treasury Management Quarter 3 2024/25

Report of Head of Finance

1. Purpose of report

- 1.1 To inform the Committee of the Council's Treasury Management activity in the third quarter of 2024/25.

2. Recommendation

- 2.1 That the Committee note the report.

3. Background to the report

- 3.1 At its meeting on 22nd February 2024 Council approved the Council's Treasury Management Policy for the year 2024/25 and delegated the oversight of the execution of the Policy to this Committee.

This report sets out the Treasury Management activities in 2024/25 and shows that they are in line with the limits set out in the Policy.

Treasury Management covers two main areas: -

1. The management of day-to-day cash flows by way of short-term investing and borrowing. Longer term investment opportunities may arise depending on cash flow requirements.
2. Management of the Council's long term debt portfolio which is used to finance capital expenditure that cannot be immediately funded by internal resources (e.g., by Capital Receipts).

Economic Background

3.2 The quarter ended 31st December 2024 saw:

1. GDP growth contracting by 0.1% month on month in October following no growth in the quarter ending September;
2. The 3 month year on year rate of average earnings growth increase from 4.4% in September to 5.2% in October;
3. CPI inflation increase to 2.6% in November;
4. Core CPI inflation increase from 3.3% in October to 3.5% in November;
5. The Bank of England cut interest rates from 5.0% to 4.75% in November and hold them steady in December.

The latest forecasts are detailed in the table below:

	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Jun 2026
Bank Rate	4.25%	4.00%	4.00%	3.75%	3.75%
5yr PWLB rate	4.80%	4.60%	4.50%	4.50%	4.40%
10yr PWLB rate	5.00%	4.80%	4.80%	4.70%	4.50%
25yr PWLB rate	5.40%	5.30%	5.20%	5.10%	5.00%
50yr PWLB rate	5.20%	5.10%	5.00%	4.90%	4.80%

Investment Activity

3.3 The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective. If required, officers implement an operational strategy which tightens the controls already in place in the approved investment strategy. The Council's investment criteria were approved by Council in February 2024.

Funds for investment come from the following Sources

- a) Revenue Account Balances held by the Council
- b) Earmarked Reserves and Provisions
- c) Unapplied Capital Receipts
- d) Cash flow balances - income received before expenditure needs to be invested.

Depending on the flow of cash (difference between income receipts and payments) the bank balance will vary. Where there is a surplus balance monies are invested. When there is a need for cash, investments are called in to ensure funds are not overdrawn. As at 31 December 2024, the Council held the following investments totalling £12,785,000 and are summarised below.

Counterparty	Investment Date	Maturity Date	Amount Invested	Interest	Interest Rate %
HSBC Instant Access			£1,452,000	90% base	variable
Black Rock Money Market Instant Access			£183,000	variable	variable
Westfield Development Community Association	07/06/23	30/07/25	£150,000	£3,000	2.00
SMBC Bank	02/12/24	04/02/25	£4,000,000	£33,736	4.81
Lloyds Bank Corporate Markets	01/05/24	21/03/25	£2,000,000	£96,307	5.31
National Bank Kuwait International (UK bank)	28/11/24	24/01/25	£1,000,000	£7,449	4.77
SMBC Bank	02/09/24	11/03/25	£1,000,000	£25,507	4.90
SMBC Bank	23/12/24	23/01/25	£1,000,000	£4,026	4.74
SMBC Bank	12/09/24	11/03/25	£1,000,000	£23,671	4.80
National Bank Kuwait International (UK bank)	29/07/24	10/03/25	£1,000,000	£31,237	5.09
Total			£12,785,000		

Details of investments held from April 2024 to March 2025 are available on request.

Details of the weighted average investment to December 2024 are shown in the table below together with the Industry Average, Sterling Overnight Index Average (SONIA) as a benchmark. The Council received a rate of return that is favourable compared with the returns available in the market (a return of 5.02% compared against 4.995%). Additionally, the weighted average period is within the maximum set of 0.5 years.

Period	Weighted Average invested	Average period (days)	HBBC Average Return	1 Month SONIA	3 Month SONIA	6 Month SONIA
Apr to Dec 2024	£9,389,060	15	5.020%	4.995%	4.934%	4.829%

Borrowing Activities

3.4 Long-term borrowing to finance Capital Expenditure

Excluding the HRA self financing element, the Council has a Capital Financing Requirement of £42.3m as at 31st March 2024 for the General Fund Capital programme which arises from previous decisions to incur Capital Expenditure that was not financed immediately by internal resources e.g. Capital Receipts or Grants giving rise to the need to borrow to finance the expenditure. This borrowing requirement can either be met by long- or short-

term external borrowing or by internal borrowing i.e., using the cash behind the authority's balances and reserves and foregoing investment income. At the present time the interest payable on long term borrowing is significantly greater than the returns the Council could expect on its investments and therefore the Council has adopted a policy of being "under-borrowed" by £28.1m with only £8.3m of long-term loans on its books and a £6m loan for the MIRA infrastructure project.

Additionally, as part of the Self Financing HRA Settlement £67,652,000 has been borrowed from PWLB. Repayment options have been discussed with members and were presented to the Executive on 13th March 2012. Repayments for principal amounts for these loans commenced in March 2020. The remaining loan will be repaid in equal instalments of £2.9414m over 22 yrs. Details are included in the table below, as at 31 December 2024 the total principal balance outstanding was £52,945,045 and the total paid was £14,706,955

Status	Lender	Interest Rate %	Maturity Date	Principal	Interest	Ref
PAID	PWLB	1.99	30/03/2020	£2,941,391	£58,533.68	PW500102
PAID	PWLB	2.21	29/03/2021	£2,941,391	£65,004.74	PW500100
PAID	PWLB	2.40	28/03/2022	£2,941,391	£70,593.38	PW500095
PAID	PWLB	2.56	28/03/2023	£2,941,391	£75,299.61	PW500099
PAID	PWLB	2.70	28/03/2024	£2,941,391	£79,417.56	PW500094
	PWLB	2.82	28/03/2025	£2,941,391	£82,947.23	PW500089
	PWLB	2.92	28/03/2026	£2,941,391	£85,888.62	PW500088
	PWLB	3.01	28/03/2027	£2,941,391	88,535.87	PW500093
	PWLB	3.08	28/03/2028	£2,941,391	90,594.84	PW500104
	PWLB	3.15	28/03/2029	£2,941,391	92,653.82	PW500090
	PWLB	3.21	28/03/2030	£2,941,391	94,418.65	PW500084
	PWLB	3.26	28/03/2031	£2,941,391	95,889.35	PW500097
	PWLB	3.30	28/03/2032	£2,941,391	97,065.90	PW500103
	PWLB	3.34	28/03/2033	£2,941,391	98,242.46	PW500096
	PWLB	3.37	28/03/2034	£2,941,391	99,124.88	PW500087
	PWLB	3.40	28/03/2035	£2,941,391	100,007.29	PW500083
	PWLB	3.42	28/03/2036	£2,941,391	100,595.57	PW500101
	PWLB	3.44	28/03/2037	£2,941,391	101,183.85	PW500086
	PWLB	3.46	28/03/2038	£2,941,391	101,772.13	PW500091
	PWLB	3.47	28/03/2039	£2,941,391	102,066.27	PW500098
	PWLB	3.48	28/03/2040	£2,941,391	102,360.41	PW500085
	PWLB	3.49	28/03/2041	£2,941,391	102,654.55	PW500082
	PWLB	3.50	28/03/2042	£2,941,391	102,948.93	PW500092

Short Term Borrowing

- 3.5 Short term borrowing in the year as at 31 December 2024 is summarised in the table below. The cost of this was already allowed for within the interest budget. As of 31 December 2024 was no outstanding temporary borrowing.

Date	Lender	Interest Rate %	Maturity Date	Principal	Interest	Days
22/04/24	Manchester city council	5.250	01/05/24	£5,500,000	£7,120	9
29/05/24	Charnwood Borough Council	5.350	05/06/24	£3,000,000	£3,078	7

4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 Report to be taken in open session.

5. Financial implications [IB]

- 5.1 Any variations to budgets resulting from borrowing investing activities are reported within the Outturn position.

6. Legal implications [ST]

- 6.1 There are no legal implications arising directly from this report.

7. Corporate Plan implications

- 7.1 This report supports the following Corporate Aims

Thriving Economy

8. Consultation

- 8.1 None

9. Risk implications

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 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.
- 9.3 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
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	Budgets are scrutinised on an ongoing to ensure assumptions are robust and reflect financial performance and sufficient levels of reserves and balances are maintained to ensure resilience	A Wilson

10. Knowing your community – equality and rural implications

10.1 None

11. Climate implications

11.1 The stewardship of the financial resources of the council underpins all policy actions to address the council's objectives in ensuring it manages its resources to ensure climate considerations are achieved in accordance with the corporate plan. The effective use of treasury management is an important part of this stewardship.

12. Corporate implications

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

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: None
Contact officer: Ilyas Bham, Accountancy Manager x5924
Executive member: Councillor K Lynch



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance & Performance Scrutiny 09 June 2025

Wards affected: All Wards

Treasury Management Quarter 4 2024/25

Report of Head of Finance

1. Purpose of report

- 1.1 To inform the Committee of the Council's Treasury Management activity in the fourth quarter of 2024/25.

2. Recommendation

- 2.1 That the Committee note the report.

3. Background to the report

- 3.1 At its meeting on 22nd February 2024 Council approved the Council's Treasury Management Policy for the year 2024/25 and delegated the oversight of the execution of the Policy to this Committee.

This report sets out the Treasury Management activities in 2024/25 and shows that they are in line with the limits set out in the Policy.

Treasury Management covers two main areas: -

1. The management of day-to-day cash flows by way of short-term investing and borrowing. Longer term investment opportunities may arise depending on cash flow requirements.
2. Management of the Council's long term debt portfolio which is used to finance capital expenditure that cannot be immediately funded by internal resources (e.g., by Capital Receipts).

Economic Background

3.2 The quarter ended 31st March 2025 saw:

1. GDP growth of 0.1% for Q4.
2. Average earnings growth from December 2024 to February 2025 was 5.9% for the private sector and 5.7% for the public sector.
3. CPI rose by 2.8% (February), there is a strong likelihood that figure will increase to at least 3.5% by the autumn of 2025.
4. The Bank of England cut interest rates from 4.75% to 4.50% in February.

The latest forecasts are detailed in the table below:

	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Sep 2026
Bank Rate	4.25%	4.00%	3.75%	3.75%	3.75%
5yr PWLB rate	4.80%	4.70%	4.60%	4.50%	4.40%
10yr PWLB rate	5.10%	5.00%	4.90%	4.80%	4.70%
25yr PWLB rate	5.60%	5.50%	5.40%	5.30%	5.20%
50yr PWLB rate	5.30%	5.20%	5.10%	5.00%	4.90%

Investment Activity

3.3 The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time, ensuring adequate liquidity, with the investment return being the final objective. If required, officers implement an operational strategy which tightens the controls already in place in the approved investment strategy. The Council's investment criteria were approved by Council in February 2024.

Funds for investment come from the following Sources

- a) Revenue Account Balances held by the Council
- b) Earmarked Reserves and Provisions
- c) Unapplied Capital Receipts
- d) Cash flow balances - income received before expenditure needs to be invested.

Depending on the flow of cash (difference between income receipts and payments) the bank balance will vary. Where there is a surplus balance monies are invested. When there is a need for cash, investments are called in to ensure funds are not overdrawn. As at 31 March 2025, the Council held the following investments totalling £2,418,000 and are summarised below.

Counterparty	Investment Date	Maturity Date	Amount Invested	Interest	Interest Rate %
HSBC Instant Access			£2,268,000	90% base	variable
Westfield Development Community Association	07/06/23	30/07/25	£150,000	£3,000	2.00
Total			£2,418,000		

Details of investments held from April 2024 to March 2025 are available on request.

Details of the weighted average investment to December 2024 are shown in the table below together with the Industry Average, Sterling Overnight Index Average (SONIA) as a benchmark. The Council received a rate of return that is favourable compared with the returns available in the market (a return of 5.02% compared against 4.995%). Additionally, the weighted average period is within the maximum set of 0.5 years.

Period	Weighted Average invested	Average period (days)	HBBC Average Return	1 Month SONIA	3 Month SONIA	6 Month SONIA
Apr to Mar 2025	£10,506,125	12	4.952%	4.878%	4.818%	4.718%

Borrowing Activities

3.4 Long-term borrowing to finance Capital Expenditure

Excluding the HRA self financing element, the Council has a Capital Financing Requirement of £42.3m as at 31st March 2024 for the General Fund Capital programme which arises from previous decisions to incur Capital Expenditure that was not financed immediately by internal resources e.g. Capital Receipts or Grants giving rise to the need to borrow to finance the expenditure. This borrowing requirement can either be met by long- or short-term external borrowing or by internal borrowing i.e., using the cash behind the authority's balances and reserves and foregoing investment income. At the present time the interest payable on long term borrowing is significantly greater than the returns the Council could expect on its investments and therefore the Council has adopted a policy of being "under-borrowed" by £28.1m with only £8.3m of long-term loans on its books and a £6m loan for the MIRA infrastructure project.

Additionally, as part of the Self Financing HRA Settlement £67,652,000 has been borrowed from PWLB. Repayment options have been discussed with members and were presented to the Executive on 13th March 2012. Repayments for principal amounts for these loans commenced in March

2020. The remaining loan will be repaid in equal instalments of £2.9414m over 22 yrs. Details are included in the table below, as at 31 March 2025 the total principal balance outstanding was £50,003,654 and the total paid was £17,648,346

Status	Lender	Interest Rate %	Maturity Date	Principal	Interest	Ref
PAID	PWLB	1.99	30/03/2020	£2,941,391	£58,533.68	PW500102
PAID	PWLB	2.21	29/03/2021	£2,941,391	£65,004.74	PW500100
PAID	PWLB	2.40	28/03/2022	£2,941,391	£70,593.38	PW500095
PAID	PWLB	2.56	28/03/2023	£2,941,391	£75,299.61	PW500099
PAID	PWLB	2.70	28/03/2024	£2,941,391	£79,417.56	PW500094
PAID	PWLB	2.82	28/03/2025	£2,941,391	£82,947.23	PW500089
	PWLB	2.92	28/03/2026	£2,941,391	£85,888.62	PW500088
	PWLB	3.01	28/03/2027	£2,941,391	88,535.87	PW500093
	PWLB	3.08	28/03/2028	£2,941,391	90,594.84	PW500104
	PWLB	3.15	28/03/2029	£2,941,391	92,653.82	PW500090
	PWLB	3.21	28/03/2030	£2,941,391	94,418.65	PW500084
	PWLB	3.26	28/03/2031	£2,941,391	95,889.35	PW500097
	PWLB	3.30	28/03/2032	£2,941,391	97,065.90	PW500103
	PWLB	3.34	28/03/2033	£2,941,391	98,242.46	PW500096
	PWLB	3.37	28/03/2034	£2,941,391	99,124.88	PW500087
	PWLB	3.40	28/03/2035	£2,941,391	100,007.29	PW500083
	PWLB	3.42	28/03/2036	£2,941,391	100,595.57	PW500101
	PWLB	3.44	28/03/2037	£2,941,391	101,183.85	PW500086
	PWLB	3.46	28/03/2038	£2,941,391	101,772.13	PW500091
	PWLB	3.47	28/03/2039	£2,941,391	102,066.27	PW500098
	PWLB	3.48	28/03/2040	£2,941,391	102,360.41	PW500085
	PWLB	3.49	28/03/2041	£2,941,391	102,654.55	PW500082
	PWLB	3.50	28/03/2042	£2,941,391	102,948.93	PW500092

Short Term Borrowing

- 3.5 Short term borrowing in the year as at 31 March 2025 is summarised in the table below. The cost of this was already allowed for within the interest budget. As of 31 March 2025 there was a £7 million loan outstanding with PWLB which is due to be repaid on 10th March 2026.

Date	Lender	Interest Rate %	Maturity Date	Principal	Interest 24/25	Days
22/04/24	Manchester city council	5.250	01/05/24	£5,500,000	£7,120	9
29/05/24	Charnwood Borough Council	5.350	05/06/24	£3,000,000	£3,078	7
07/02/25	North West Leics District Council	4.900	07/03/25	£1,500,000	£5,638	28
10/03/25	PWLB	4.89	10/03/26	£7,000,000	£20,632	365

4. Exemptions in accordance with the Access to Information procedure rules

4.1 Report to be taken in open session.

5. Financial implications [IB]

5.1 Any variations to budgets resulting from borrowing investing activities are reported within the Outturn position.

6. Legal implications [ST]

6.1 There are no legal implications arising directly from this report.

7. Corporate Plan implications

7.1 This report supports the following Corporate Aims

Thriving Economy

8. Consultation

8.1 None

9. Risk implications

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

9.2 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.

9.3 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
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	Budgets are scrutinised on an ongoing to ensure assumptions are robust and reflect financial performance and sufficient levels of reverses and balances are maintained to ensure resilience	A Wilson

10. Knowing your community – equality and rural implications

10.1 None

11. Climate implications

- 11.1 The stewardship of the financial resources of the council underpins all policy actions to address the council's objectives in ensuring it manages its resources to ensure climate considerations are achieved in accordance with the corporate plan. The effective use of treasury management is an important part of this stewardship.

12. Corporate implications

- 12.1 By submitting this report, the report author has taken the following into account:
- Community safety implications
 - Environmental implications
 - ICT implications
 - Asset management implications
 - Procurement implications
 - Human resources implications
 - Planning implications
 - Data protection implications
 - Voluntary sector

Background papers: None
Contact officer: Ilyas Bham, Accountancy Manager x5924
Executive member: Councillor K Lynch



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance & Performance Scrutiny 9 June 2025

Wards affected All Wards

Sundry Debts – Q4 2024/2025

Report of Head of Finance (Section 151 Officer)

1. Purpose of report

1.1 To inform members of the position on sundry debts as at 31 March 2025.

2. Recommendation

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

3. Background to the report

3.1 As of 31 March 2025, the overall sundry debt was £2,075,257. The current balance can be broken down by age as follows:

Table 1	
Description	
Credits, Refunds and Payments	-£193,421
Not Yet Due	£978,759
< 30 Days	£182,619
30 - 59 Days	£51,862
60 - 89 Days	£11,557
90 - 119 Days	£28,446
> 120 Days	£1,015,435
Total Debt	£2,075,257

- 3.2 The Council has a KPI for debt over 90 days old as a percentage of aged debt, not exceeding 25%. The performance for the end of March 2025 was 21.47%, this is after amendment for items that are known to be covered by agreement, council policy, are in dispute or are to be written off. The total number of invoices over 90 days is 1,325 with an average value of £787.83. This has decreased from 1,569 since the last quarter.

Table 2	£	Description
Total debt	2,075,257	
	-344,719	Homelessness
	-391,320	Instalment Plans
	-109,570	In Dispute
	1,229,647	(A)
Over 90 days	1,043,881	
	-310,615	Homelessness
	-359,655	Instalment Plans
	-109,570	In Dispute
	264,040	(B)
Performance	21.47%	Over 90 days/Total debt (amended) B/A
Target	25%	

- 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 is £131,000 based on the review as part of the closedown procedure.
- 3.4 The split of the current debt position over 90 days by type of debt is detailed below. Homelessness bonds, continue to be a large figure. However, only cash received is accounted for income at year end. The element relating to other Local Authorities primary relate to charges for shared services.
- 3.5 Action is being taken to recover the debts where possible. 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 to uphold the “sentiment” of the Council’s Anti-Poverty Strategy.
- 3.6 The table below gives the breakdown of debt over 90 days as at the March 2025.

Table 3: Sum of Total Outstanding over 90 days	Q1	Q2	Q3	Q4	Q3 to Q4	%
	£	£	£	£	£	
Building Control	16,780	16,780	16,780	16,780	0	0
Environmental Health	201	301	401	548	147	36.64
Estates	313,623	271,440	325,295	262,935	-62,360	-19.17
Green Spaces	2,853	2,818	2,361	2,203	-158	-6.70
Grounds Maintenance	1,034	1,034	1,034	1,034	0	0
Homelessness	367,394	388,002	429,108	311,015	-118,092	-27.52
Housing	277,245	275,334	279,333	278,930	-404	-0.14
Refuse/ Recycling	22,216	19,094	4,014	2,447	-1,567	-39.04
Other LA	143,651	44,070	42,184	43,359	1,174	2.78
Licensing	4,050	3,220	3,400	4,235	835	24.56
Pest Control	0	0	0	0	0	0
Planning	45,891	45,891	40,891	35,891	-5,000	-12.23
Housing Repairs	62,825	64,189	64,786	64,570	-216	-0.33
Finance	11,337	11,613	11,613	11,337	-276	-2.38
Atkins Building	6,257	21,828	14,533	7,211	-7,323	-50.38
Street Scene	1,521	16,627	1,022	751	-271	-26.48
Communications	0	0	0	0	0	0
Cultural Services	0	0	2,000	0	-2,000	-100
Legal	0	0	0	635	635	0
HR	636	0	0	0	0	0
Total	1,277,514	1,182,242	1,238,755	1,043,881	-194,875	-15.73

3.7 Members have requested further detail on the aged profile of debts. This is provided in the table below. There is a provision of £131,000 which is enough to cover the debts between 2005/06 to 2019/20 items highlighted are covered by a provision.

Table 4: Year	Estates	Homeless	Housing	Other LA	Other Debtors	Total
2005.06	£0.00	£0.00	£50.00	£0.00	£0.00	£50.00
2006.07	£0.00	£0.00	£50.00	£0.00	£0.00	£50.00
2007.08	£0.00	£0.00	£33.36	£0.00	£0.00	£33.36
2008.09	£0.00	£0.00	-£29.61	£0.00	£0.00	-£29.61
2009.10	£0.00	£0.00	-£51.23	£0.00	£0.00	-£51.23
2010.11	£0.00	£427.50	-£13.98	£0.00	-£0.00	£413.52
2011.12	£0.00	£355.00	£59.55	£0.00	-£10.00	£404.55
2012.13	£897.00	£648.71	£950.79	£0.00	£0.00	£2,496.50
2013.14	£421.44	£175.00	£2,338.94	£0.00	£360.00	£3,295.38
2014.15	£0.00	£0.00	£2,736.47	£0.00	£0.00	£2,736.47
2015.16	£7,853.58	£170.00	£2,887.63	£0.00	£837.71	£11,748.92

Table 4: Year	Estates	Homeless	Housing	Other LA	Other Debtors	Total
2016.17	£8,981.40	£0.00	£3,482.58	£0.00	£7,301.92	£19,765.90
2017.18	£3,006.81	£0.00	£10,340.65	£0.00	£6,224.07	£19,571.53
2018.19	£7,702.59	£1,666.00	£9,807.37	-£216.18	£14,209.53	£33,169.31
2019.20	£10,731.18	£12,612.03	£5,406.82	£4,068.90	£4,881.30	£37,700.23
2020.21	£23,107.06	£33,198.81	£13,429.49	£0.00	£14,320.90	£84,056.26
2021.22	£4,579.46	£65,667.41	£108,300.74	£708.79	£14,961.97	£194,218.37
2022.23	£5,978.37	£57,871.68	£23,806.09	-£338.00	£19,249.84	£106,567.98
2023.24	£124,796.25	£48,997.09	£83,216.93	£36,084.22	£51,039.17	£344,133.66
2024.25	£153,279.48	£122,930.10	£34,460.18	£491,328.06	£257,577.50	£1,059,575.32
2025.26	£49,372.65	£0.00	£24,893.23	£0.00	£266,716.88	£340,982.76
Total	£400,707.27	£344,719.33	£326,156.00	£531,635.79	£657,670.79	£2,260,889.18

4. Exemptions in accordance with the Access to Information procedure rules

4.1 Report is taken in an open session.

5. Financial implications [IB]

5.1 Contained within the body of the report.

6. Legal implications [ST]

6.1 The legal implications are contained within the report.

7. Corporate Plan implications

7.1 Sundry Debts contributes to delivery of all Corporate Plan objectives.

8. Consultation

8.1 None

9. Risk implications

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

9.2 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.

9.3 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

10. Knowing your community – equality and rural implications

- 10.1 Any future reviews of the Debt Recovery Strategy will be impact assessed to understand any impacts on our community (i.e., ability for those on lower incomes to pay).

11. Climate implications

- 11.1 Climate implications are considered by services, therefore where applicable will be reflected when individual debts are raised.

12. Corporate implications

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

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers:

Contact Officer: Ashley Wilson, Head of Finance, Ext 5609
Executive Member: Councillor K. Lynch

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Hinckley & Bosworth
Borough Council

Finance & Performance Scrutiny Work Programme 2025/2026

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Agenda Item 13

Key to corporate aims

- 1 – People
- 2 – Places
- 3 – Prosperity

FINANCE & PERFORMANCE SCRUTINY 2025/26

Date	Issue	Reason	Outcomes	Lead Officer	Supports corporate aims
9 June 2025	Treasury management Q 3 & 4 – 2024/25	Quarterly review	Monitor performance	Ashley Wilson	All
	Sundry Debts Q4 2024/25	Quarterly review	Monitor performance	Ashley Wilson	All
	Performance Management Framework update	Quarterly review	Monitor performance	Julie Kenny	All
15 September 2025	Performance Management Framework update	Quarterly review	Monitor performance	Julie Kenny	All
	Financial outturn Q4 – 2024/25	Quarterly review	Monitor performance	Ashley Wilson	All
	Business rates and pooling update Q4 2024/25	Quarterly review	Monitor performance	Ashley Wilson	All
10 November 2025	Hinckley Leisure Centre – Performance Review	Programme of frontline service reviews	Monitor performance	Simon Jones	All
	Financial outturn Q1 2025/26	Budget monitoring	Monitor performance	Ashley Wilson	All
	Treasury Management Q1 2025/26	Budget monitoring	Monitor performance	Ashley Wilson	All
	Sundry Debts Q1 2025/26	Budget monitoring	Monitor performance	Ashley Wilson	All
	Frontline service review – Planning	Programme of frontline service reviews	Monitor performance	Chris Brown/Sharon Stacey	2

22 January 2026	Joint Budget Scrutiny meeting with Scrutiny Commission	Budget reports	To present the Council's prudential indicators for 2025/26 - 2028/29 and set out the expected treasury operations for this period	Ashley Wison	All
16 March 2026	Sundry Debts Q2 2025/26	Budget monitoring	Monitor performance	Ashley Wilson	All
	Treasury management Q2 2025/26	Budget monitoring	Monitor performance	Ashley Wilson	All
	Performance Management Framework update	Quarterly review	Monitor performance	Julie Kenny	All
	Commercial Estate	Service review	Monitor Performance	Malcolm Evans	All
	Frontline service review – Environmental Health	Programme of frontline service reviews	Monitor performance	Rosemary Leach/Madeline Shellard	1,2
	Performance Management Framework update	Quarterly review	Monitor performance	Julie Kenny	All
	Business rates and pooling update Q2 2025/26	Quarterly review	Monitor performance	Ashley Wilson	All
	Financial outturn Q2 2025/26	Budget monitoring	Monitor performance	Ashley Wilson	All
June 2026	Sundry Debts Q3	Budget monitoring	Monitor performance	Ashley Wilson	All
	Housing Services – frontline service review	Programme of frontline services reviews	Monitor performance	Madeline Shellard	2
	Treasury management Q3 2025/26	Quarterly review	Monitor performance	Ashley Wilson	All
	Business rates and pooling update Q3 2025/26	Quarterly review	Monitor performance	Ashley Wilson	All
	Streetscene Services frontline review	Frontline service review	Monitor performance	Caroline Roffey	All
	Financial Outturn Quarter 3 2025/26				
September 2026	Financial Outturn Quarter 4 2025/26				

