

FINANCE AUDIT & PERFORMANCE SELECT COMMITTEE

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

RE: SUNDRY DEBTS POSITION



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. PURPOSE OF REPORT

To inform members of Sundry Debts performance.

2. RECOMMENDATION

The Finance Audit and Performance Select Committee note the current position.

3. BACKGROUND TO THE REPORT

Sundry Debts was included within the Internal Audit Block Report presented to Finance Audit and Performance Select Committee in December 2011, at which members requested further information regarding level of outstanding debt and recovery procedures.

The Sundry Debts function raises invoices to cover a wide range of fees due to the Council. These include Industrial Rents, premise licences, market stall rents, site inspection fees, recycling bin rental, repayment of bonds / homelessness prevention loans, solo alarm rental and many more. Many invoices are issued on a periodical basis (annually, quarterly, monthly etc), whilst some are for one-off charges.

Several departments raise their own invoices, which are then produced, issued and monitored by the Sundry Debts section. The recovery action is also carried out by the Debtors section, including the issuing of overdue reminders, 2nd reminder letters and County Court action if necessary. However, each case is managed and progressed on a case by case basis, considering the nature of the debt, the debtor's ability to repay and likely enforcement costs etc.

When a County Court Judgement is in place, we are then able to use a variety of enforcement methods. The most common are a Warrant of Execution (bailiff), an Attachment of Earnings Order or a Charging Order (registering a charge against property owned by the debtor). There are fees involved in progressing with this type of action, which further illustrates why each case is assessed on an individual basis. However, it should also be noted that these fees, along with solicitor's fees and interest are added to the debt outstanding and will be recouped if and when the debt is repaid in full.

During 2011, 9447 invoices were raised with a total value of £6,228,796.

As of end February 2012, there were 9438 separate Debtor accounts with 601 of these accounts showing an outstanding balance. The total outstanding balance at that time was £810,922 and this is broken down by age of debt below:

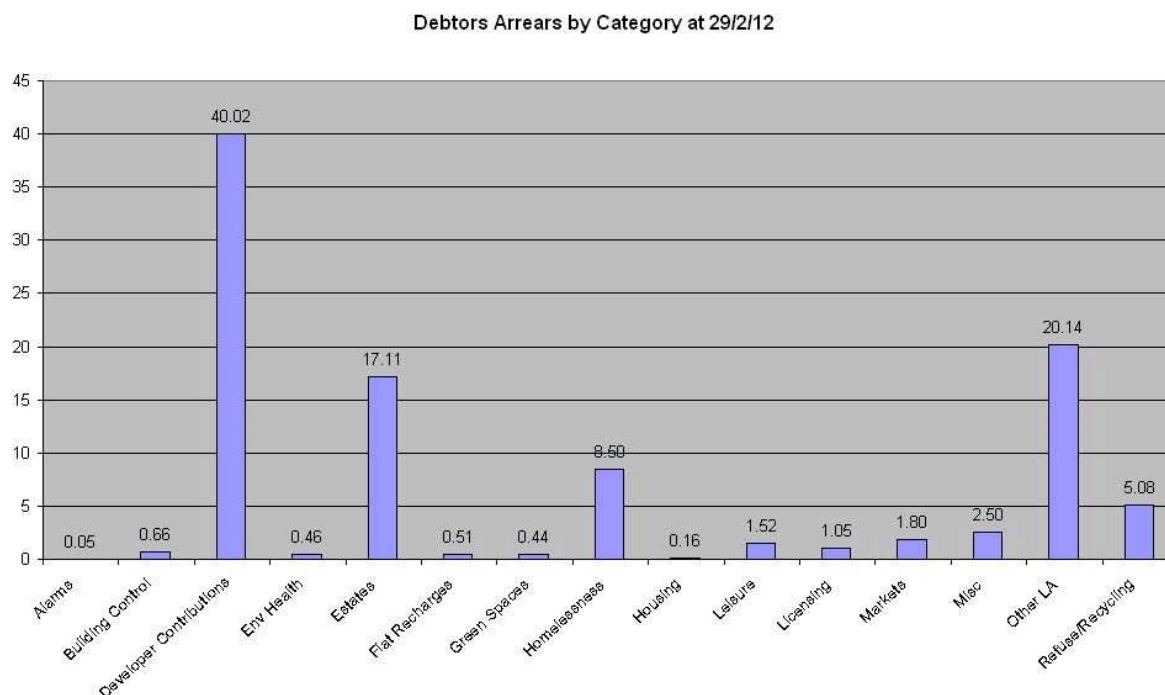
Not Yet Due	<30 Days	30 – 59 Days	60 – 89 Days	90 – 119 Days	>120 Days
£68,378	£440,055	£16,136	£26,741	£10,793	£248,819

NB: Further information regarding the >120 days debt will be provided verbally at the meeting

This outstanding debt covers a variety of types of debt including (but not limited to):

- Industrial Rent;
- Building Control Fees;
- Homelessness Prevention Bonds;
- Sports Hall Hire;
- Recharges to other Local Authorities;

A breakdown of the type of debt is shown below as a percentage of the total outstanding.



4. FINANCIAL IMPLICATIONS (DB)

There are none arising directly from this report.

5. LEGAL IMPLICATIONS (AB)

None raised directly by this report as it is for noting only.

6. CORPORATE PLAN IMPLICATIONS

Sundry Debts contributes to delivery of all of the Corporate Plan.

7. CONSULTATION

None.

8. RISK IMPLICATIONS

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

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

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

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

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

Any future reviews of the Debt Recovery Strategy will be impact assessed to understand any impacts on our community.

10. **CORPORATE IMPLICATIONS**

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

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

Background papers: Civica Reports

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