



SUNDRY DEBTS UPDATE REPORT

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

WARDS AFFECTED: ALL WARDS

1. **PURPOSE OF REPORT**

1.1 To inform members of the position on sundry debts as at 28th February 2014.

2. **RECOMMENDATION**

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

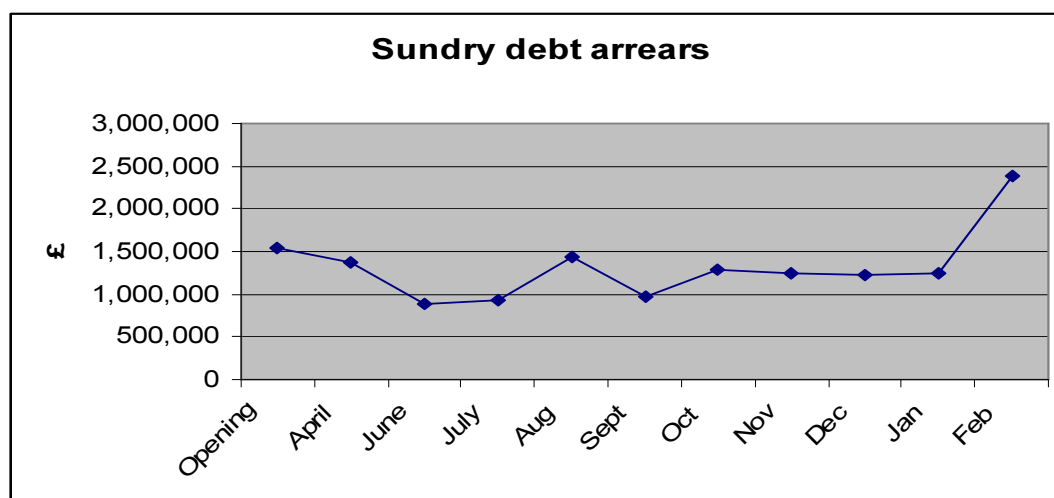
2.2 That the committee note the recovery methods detailed for both s106 contributions and homelessness bonds detailed in sections 3.4-5.

3. **BACKGROUND TO THE REPORT**

3.1 As at 28th February 2014 there were 2,436 sundry debt invoices outstanding with a value of £2,388,627 (an average balance of £980.55). This balance can be broken down by age as follows:

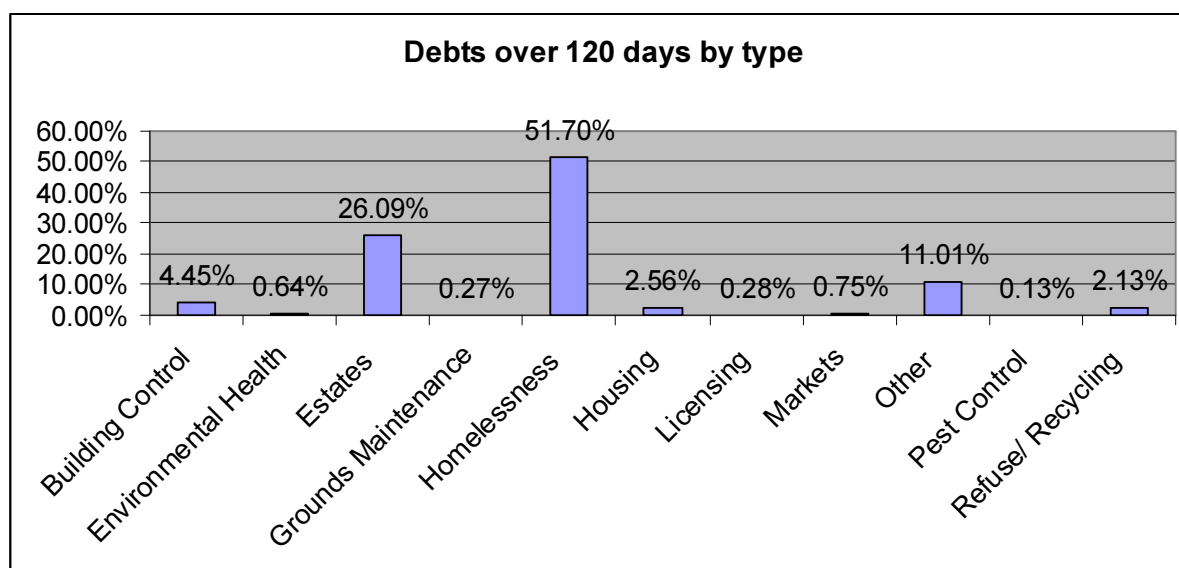
Credits and Refunds	Not Yet Due	< 30 Days	30 - 59 Days	60 - 89 Days	90 - 119 Days	> 120 Days	Total Debt
£	£	£	£	£	£	£	£
-1,088	10,396	1,725,188	83,611	70,467	156,174	343,880	2,388,627

3.2 The value of aged debt has been mapped for 2013/2014 for information. Whilst debt has increased since January 2014, this can be attributed to issuing of quarterly invoices for services at the start of January and therefore impacts invoices <30 days. The balance of debt over 120 days in comparison has reduced by £45,034 since June 2013.



NB Information was not gathered during May 2013 due to changes in team structure and training.

- 3.3 In order to ensure that the Council adopts a prudent approach to accounting for debt that might not be due, a “provision for doubtful debts” is made against the year end balance. The value of this provision for 2012/2013 was £77,766
- 3.4 The split of the current debt position over 120 days by type of debt are detailed below. As indicated, 51.70% of the debt relates to monies due from Homelessness Bonds. The provision of these bonds is funded by the Council’s Homelessness Prevention Grant which is provided by the DCLG annually. Whilst efforts are made to recover these amounts through ongoing contact with tenants by housing and revenues and benefits officers, legal action is not generally taken in these cases. This is on the basis that it is unlikely that the debtor will also be able to pay the additional charges levied and also to uphold the “sentiment” of the Council’s Anti Poverty Strategy.



- 3.5 Since the last meeting of the Finance, Audit and Performance Committee, a dedicated group of officers from finance, planning and legal has been set up to monitor the payment of s106 monies. Prompt recovery of these monies from developers is essential to ensure that funds are available for expenditure by the Council or partners (e.g. parish councils). Members should note a decision made by this group that a “letter before action” will be issued to all developers automatically at 90 days to encourage prompt recovery.

4. FINANCIAL IMPLICATIONS (KP)

Raised in the body of the report.

5. LEGAL IMPLICATIONS (MR)

Under the Limitation Act 1980 the Council must bring action to recover such debts within six years of the date payment became due.

6. CORPORATE PLAN IMPLICATIONS

Sundry Debts contributes to delivery of all Corporate Plan objectives.

7. CONSULTATION

None.

8. RISK IMPLICATIONS

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

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

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

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

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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

10. CORPORATE IMPLICATIONS

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

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

Background papers: Civica Reports

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