



**SUNDRY DEBTS – QUARTER 3 2014/2015**

**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 31<sup>st</sup> December 2014.

2. RECOMMENDATION

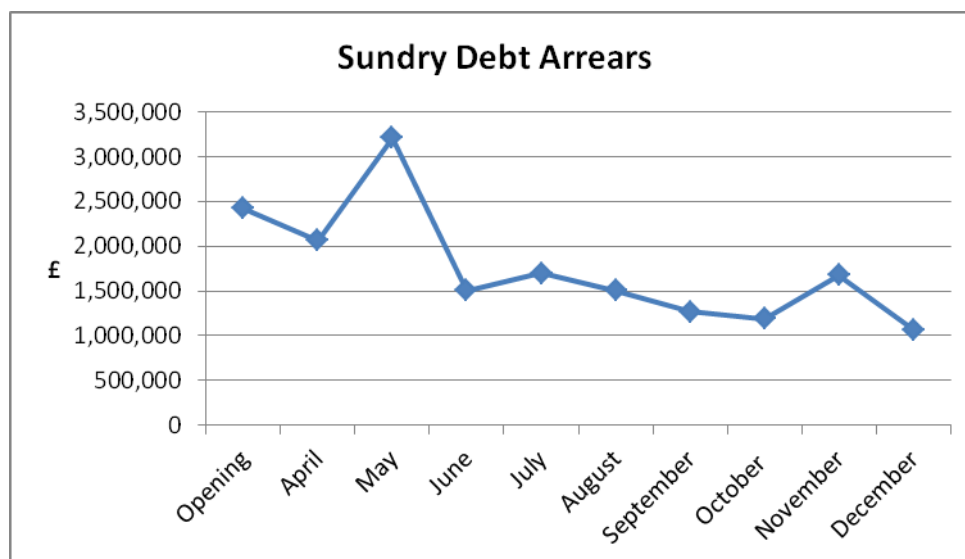
2.1 That the committee note the current aged debt position for sundry debts

3. BACKGROUND TO THE REPORT

3.1 As at 31<sup>st</sup> December 2014 there were 1,747 sundry debt invoices outstanding with a value of £1,069,621<sup>1</sup> (an average balance of £612.26). 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 |
|---------------------|-------------|-----------|--------------|--------------|---------------|------------|------------|
| £                   | £           | £         | £            | £            | £             | £          | £          |
| (1,254)             | 26,506      | 247,974   | 232,803      | 76,228       | 24,924        | 462,441    | 1,069,621  |

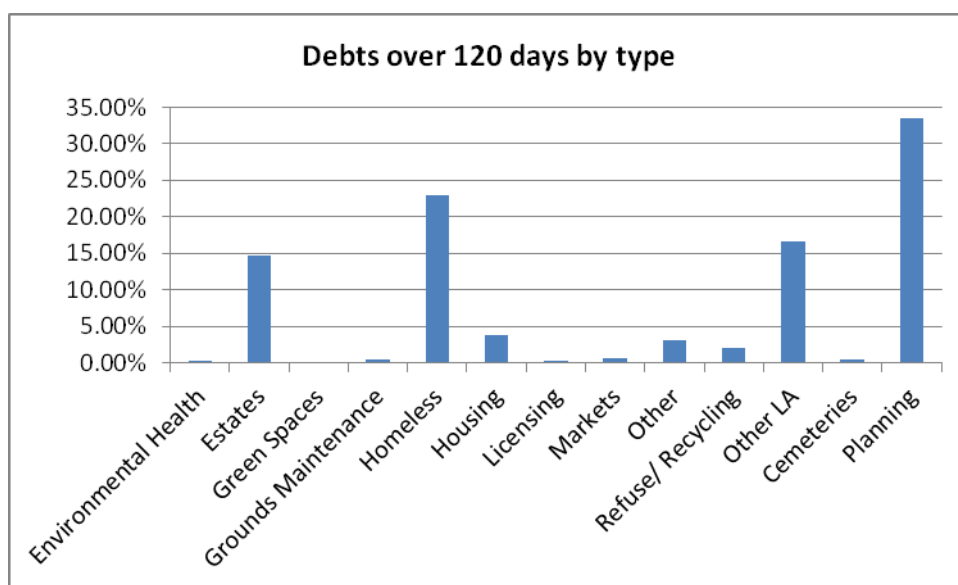
3.2 The value of aged debt has been mapped for 2014/2015 for information. The value of debt continues to decrease following review of debt recovery procedures.



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 2013/2014 was £82,150

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

3.4 The split of the current debt position over 120 days by type of debt is detailed below. As indicated, 33.54% of the debt relates to planning income due from developers for s106 contributions. Legal action is currently being pursued with the two largest debts within this balance. 23.01% 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.



4. FINANCIAL IMPLICATIONS (KP)

Raised in the body of the report.

5. LEGAL IMPLICATIONS (EH)

Under the Limitation Act 1980 the Council must bring action to recover such debts within six years of the date payment became due. The date on which payment is deemed to be due will vary from debt to debt.

Taking legal action may not result in the repayment of the debt, though it does allow of enforcement of the judgement through the courts. This will incur additional costs, which are recoverable, but not all judgements will be recovered and it will vary on a case to case basis.

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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