



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Finance & Performance Scrutiny

17 July 2017

WARDS AFFECTED: ALL WARDS

SUNDRY DEBTS – Q1 2017/2018

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 30 June 2017.

2. RECOMMENDATION

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

2.2 That the committee note that a report will follow at the next meeting on the action being taken on recovery of estates debt.

3. BACKGROUND TO THE REPORT

3.1 As at 30/06/2017 there were sundry debts with a value of £1,566,894. 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
£	£	£	£	£	£	£	£
-527	4,449	317,497	167,597	110,318	22,332	946,652	1,566,894

3.2 The Council has a KPI for Debt over 90 days old as a % of aged debt, not exceeding 25%. The performance for the end of June 2017 was 30.62%, this is after amendment for items that are known to be covered by agreement, council policy or are to be written off. The total number of invoices over 90 days is 913, with an average value pf £1061.32. The primary reason the target was not met was due to 4 outstanding debts totalling £77,025. The current status for these debts is summarised below:-

£	Details
£34,233	Payment expected July 17
£16,042	In dispute - Estates looking into.
£15,750	Estate chasing up.
£11,000	Payment expected July 17

These debts are being chased and it is expected that £45,000 will be received in the by Mondays 17th July. If these debts would have been paid before the month the overall 90 day plus debt outstanding would have reduced to 26.7 per cent

	£	Description
Total debt	1,566,894	
Less	-493,581	Tin Hat
	-132,189	Homelessness
	-79,330	VAT to w/o
	861,794	(A)
Over 90 days	968,985	
less	-493,581	Tin Hat
	-132,189	Homelessness
	-79,330	VAT to w/o
	263,884	(B)
Performance	30.62%	Over 90 days/Total debt (amended) B/A
Target	25.0%	

- 3.3 In order to ensure that the Council adopts a prudent approach to accounting for debt that might not be due, a “provision for doubtful debts” is made against the year end balance. The value of this provision for 2017/18 is £139,135.
- 3.4 The split of the current debt position over 90 days by type of debt is detailed below. The largest element is for “Estates” debts (29.63%, £141k). This has a large element of debts that are over twelve months old, some may need to be written off, but action is being taken to recover the debts where possible and we are moving to introduce an interest charge where there is late payment. Homelessness Bonds have reduced marginally by 0.53%. The provision of these bonds is funded by the Council's Homelessness Prevention Grant which is provided by the DCLG annually. Whilst efforts are made to recover these amounts through ongoing contact with tenants by housing and revenues and benefits officers, legal action is not generally taken in these cases. This is on the basis that it is unlikely that the debtor will also be able to pay the additional charges levied and also to uphold the “sentiment” of the Council's Anti-Poverty Strategy.

Sum of Total Outstanding over 90 days	2016/17	2016/17	2017/18	Q4 to Q1	
	Q3	Q4	Q1	Mvt £	Mvt %
Building Control	£4,085.91	£2,929.91	£3,025.84	£95.93	3.27%
Environmental Health	£2,806.11	£6,724.50	£8,490.18	£1,765.68	26.26%
Estates	£149,694.04	£161,494.49	£140,852.75	-£20,641.74	-12.78%
Green Spaces	£637.40	£466.40	£608.50	£142.10	30.47%
Grounds Maintenance	£2,582.56	£2,552.56	£1,680.06	-£872.50	-34.18%
Homeless	£134,946.18	£132,883.68	£132,189.43	-£694.25	-0.52%
Housing	£34,007.63	£33,226.31	£36,946.78	£3,720.47	11.20%
Markets	£5,507.97	£5,580.78	£5,418.89	-£161.89	-2.90%

Other	£97,295.35	£90,687.80	£125,098.80	£34,411.00	37.94%
Refuse/ Recycling	£15,206.41	£14,790.66	£7,527.78	-£7,262.88	-49.10%
Planning	£30,902.67	£69,988.26	£9,962	-£60,026.26	-85.77%
Pest Control		£434.04	£137.00	-£297.04	-68.44%
Other LA	£5,065.67	£6,865.67	£2,965.67	-£3,900.00	-56.80%
Cemeteries	£1,569.60	£385.50		-£385.50	-
Licensing	£306.00	£740.00	£500.00	-£240.00	-32.43%
Grand Total	£484,613.50	£529,750.56	£475,403.68	£45,137.06	8.52%

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 MR

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. CORPORATE IMPLICATIONS

- 11.1 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: Civica Reports

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