



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY

29 JANUARY 2018

WARDS AFFECTED: ALL WARDS

SUNDRY DEBTS – Q3 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 31 December 2017.

2. RECOMMENDATION

2.1 That the committee notes 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 31/12/2017 there were sundry debts with a value of £1,860,124. 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 |
|---------------------|-------------|-----------|--------------|--------------|---------------|------------|------------|
| £ | £ | £ | £ | £ | £ | £ | £ |
| -3858 | 4878 | 447,376 | 435,428 | 45,741 | 90,419 | 88,823 | 1,860,124 |

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 December 2017 was 25.31%, 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 1203, with an average value pf £814.00.

| | £ | Description |
|---------------------|------------------|--|
| Total debt | 1,860,124 | |
| Less | -493,581 | Tin Hat |
| | -141,901 | Homelessness |
| | -44,479 | Installment Plans |
| | 1,179,378 | (A) |
| Over 90 days | 979,241 | |
| less | -493,581 | Tin Hat |
| | -141,901 | Homelessness |
| | -44,480 | Installment Plans |
| | 298,496 | (B) |
| Performance | 25.31% | 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 yearend 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 (35.47%, £172k). 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 increased marginally by 2.78%. 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 | 2017/18 | 2017/18 | 2017/18 | Q2 to Q3 | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | Q1 | Q2 | Q3 | Mvt £ | Mvt % |
| Building Control | £3,025.84 | £2,411.50 | £1,159.06 | -£1,252.44 | -51.94% |
| Environmental Health | £8,490.18 | £8,484.09 | £6,917.77 | -£1,566.32 | -18.46% |
| Estates | £140,852.75 | £95,969.02 | £172,266.80 | £76,281.40 | 79.47% |
| Green Spaces | £608.50 | £573.50 | £839.90 | £266.40 | 46.45% |
| Grounds Maintenance | £1,680.06 | £1,650.06 | £2,236.06 | £586.00 | 35.51% |
| Homeless | £132,189.43 | £137,382.44 | £141,901.31 | £4,518.87 | 3.29% |
| Housing | £36,946.78 | £39,286.85 | £48,405.67 | £9,118.82 | 23.21% |
| Markets | £5,418.89 | £4,766.19 | £5,560.29 | £794.10 | 16.66% |
| Other * | £125,098.80 | £2,126.67 | £88,298.29 | £86,171.62 | 4051.95% * |
| Refuse/ Recycling | £7,527.78 | £14,354.22 | £13,629.67 | -£708.17 | -4.94% |
| Planning | £9,962 | £2,549.80 | £1,299.00 | -£1,250.80 | -49.05% |
| Pest Control | £137.00 | 0 | 0 | £0.00 | 0.00% |
| Other LA | £2,965.67 | £2,414.01 | £2,414.01 | £0.00 | 0.00% |
| Cemeteries | | 0 | 0 | £0.00 | 0.00% |
| Licensing | £500.00 | £147.01 | £732.56 | £585.55 | 398.31% |
| | | | | | |
| Grand Total | £475,403.68 | £312,115.36 | £485,660.39 | £173,545.03 | 55.60% |

* This variance is primary due to two invoices outstanding from another Council. The Accountancy Manger has contacted the Council concerned and it is envisaged these sums will be paid in January.

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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