



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

FINANCE & PERFORMANCE SCRUTINY 6th June 2022

Wards affected: ALL WARDS

Sundry Debts – Q4 2021/2022

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 31st March 2022.

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 31st March 2022, the overall sundry debt was £2,736,770. The current balance can be broken down by age as follows:

Description	Amount
Credits, Refunds and Payments	-£159,400
Not Yet Due	£275,191
< 30 Days	£845,932
30 - 59 Days	£124,663
60 - 89 Days	£355,082
90 - 119 Days	£64,484
> 120 Days	£1,230,818
Total Debt	£2,736,770

3.2 The Council has a KPI for debt over 90 days old as a percentage of aged debt, not exceeding 25%. The performance for the end of March 2022 was 18.20%, this is after

amendment for items that are known to be covered by agreement, council policy, are in dispute or are to be written off. The total number of invoices over 90 days is 1,383, with an average value of £936.59. This has reduced from 1,415 invoices over 90 days in the last quarter.

	£	Description
Total debt	2,736,970	
	-315,453	Homelessness
	-108,966	Installment Plans
	-550,152	In dispute
	1,762,399	(A)
Over 90 days	1,295,302	
	-315,453	Homelessness
	-108,966	Installment Plans
	-550,152	In dispute
	320,731	(B)
Performance	18.20%	Over 90 days/Total debt (amended) B/A
Target	25%	

- 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 is increased in 2021 from £138,000 to £275,000. This will be reviewed again as part of the final accounts closedown procedures.
- 3.4 The split of the current debt position over 90 days by type of debt is detailed below. One of the largest elements, for Homelessness Bonds has increased by 7.31%. The provision of these bonds is funded by the Council’s Homelessness Prevention Grant which is provided by the DLUPHC. The largest debt is Estates at £401,362.68. Approximately 30% have now entered into a payment plan to clear their debts. All new leases are being granted with a direct debit payment in place, to limit debts problems going forward.
- 3.5 Action is being taken to recover the debts where possible. 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 to uphold the “sentiment” of the Council’s Anti-Poverty Strategy.
- 3.6 The table below gives the breakdown of debt over 90 days as at the 31 March 2022.

Sum of Total Outstanding over 90 days 2020/21	Q1	Q2	Q3	Q4	Q3 to Q4 £	%
Building Control	£8,053.85	£8,054.78	£9,007.67	£11,546.75	£2,539.08	28.19%
Environmental Health	£2,460.83	£2,231.89	£2,666.46	£3,401.09	£734.63	27.55%
Estates*	£588,073.26	£622,060.47	£544,779.21	£401,362.68	-£143,416.53	-26.33%
Green Spaces	£3,319.11	£489.68	£4,348.33	£3,702.08	-£646.25	-14.86%
Grounds Maintenance	£1,945.69	£1,634.09	£1,235.69	£1235.69	£0.00	0.00%
Homeless	£202,540.46	£213,223.17	£293,957.09	£315,453.31	£21,496.22	7.31%
Housing	£78,291.96	£176,478.25	£119,082.88	£128,258.39	£9,175.51	7.71%
Markets	£3,876.57	£3,978.27	£3,542.20	£3,644.05	£101.85	2.88%
Other	£44,542.49	£16,060.74	£33,519.01	£23,852.23	-£9,666.78	-28.84%
Refuse/ Recycling	£76,580.27	£68,459.50	£46,974.13	£26,465.86	-£20,508.27	-43.66%
Other LA	£110,950.17	£62,884.68	£228,925.44	£4,986.60	-£223,938.84	-97.82%
Licensing	£1,270.00	£1,365.00	£835.00	£490.00	-£345.00	-41.32%
Pest Control	£0.00	£0.00	£0.00	£0.00	£0.00	0.00%
Planning	£27,400.00	£22,000.00	£20,725.00	£12,725.00	-£8,000.00	-38.60%
Housing Repairs	£24,851.34	£10,427.08	£24,997.42	£25,041.09	£43.67	0.17%
Finance	£7,446.00	£9,186.00	£9,186.00	£9,186.00	£0.00	0.00%
Atkins Building	£7,108.00	£8,355.30	£5,967.97	£6,558.74	£590.77	9.90%
Waste Services	£312.00	£3,746.80	£0.00	£0.00	£0.00	0.00%
Leisure	£111,304.70	£111,304.70	£101,304.70	£316,237.75	£214,933.05	212.16%
Human Resources	£864.89	£414.89	£1,149.37	£522.12	-£627.25	-54.57%
Street Scene	£0.00	£0.00	£0.00	£632.48	£632.48	100.00%
Total	£1,301,191.59	£1,342,355.29	£1,452,203.57	£1,295,301.91	-£156,901.66	-10.80%

*Due to Covid debts are currently being reviewed with tenants to arrange alternative payment plans and in extreme cases arrangements for short-term rent reductions.

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. Climate implications

11.1 Climate implications are considered by services, therefore where applicable will be reflected when individual debts are raised.

12. Corporate implications

12.1 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:
Contact Officer:
Executive Member:

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