



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

FINANCE & PERFORMANCE SCRUTINY 25 July 2022

Wards affected: ALL WARDS

Sundry Debts – Quarter 1 2022/23

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 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 30 June 2022, the overall sundry debt was £2,375,718. The current balance can be broken down by age as follows:

Description	
Credits, Refunds and Payments	-£161,255
Not Yet Due	£416,776
< 30 Days	£271,301
30 - 59 Days	£97,052
60 - 89 Days	£44,891
90 - 119 Days	£267,516
> 120 Days	£1,291,879
Total Debt	£2,228,160

- 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 June 2022 was 35.6%, 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 1,575 with an average value of £990. This has increased from 1,383 since the last quarter. The other primary reason for the reduction in performance is due to overall debt levels reducing from £2.736m to £2.228m.

	£	Description
Total debt	2,228,160	
	-340,389	Homelessness
	-535,814	In dispute
	-313,500	Installment Plans
	1,038,456	(A)
Over 90 days	1,559,396	
	-340,389	Homelessness
	-313,500	Installment Plans
	-535,814	In dispute
	369,693	(B)
Performance	35.60%	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 £221,000. 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. Homelessness Bonds continue to increase. The provision of these bonds is funded by the Council’s Homelessness Prevention Grant which is provided by the DLUPHC..The element relating to other Local Authorities primary relate to charges for shared services. Most of this income has been received in July. The Planning increase is due to a £345,367 developer contribution that is outstanding.
- 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 30 June 2022.

Sum of Total Outstanding over 90 days	Q2	Q3	Q4	q1	Q1 to Q4 £	%
Building Control	8,055	9,008	11,547	11,045	-502	-4.35%
Environmental Health	2,232	2,666	3,401	3,490	89	2.62%
Estates*	622,060	544,779	401,363	417,710	16,347	4.07%
Green Spaces	490	4,348	3,702	4,403	701	18.94%
Grounds Maintenance	1,634	1,236	1,236	4,793	3,557	287.78%
Homeless	213,223	293,957	315,453	340,389	24,936	7.90%
Housing	176,478	119,083	128,258	133,260	5,002	3.90%
Markets	3,978	3,542	3,644	3,675	31	0.85%
Other	16,061	33,519	23,852	35,398	11,546	48.41%
Refuse/ Recycling	68,460	46,974	26,466	24,154	-2,312	-8.74%
Other LA	62,885	228,925	4,987	180,323	175,336	3515.86%
Licensing	1,365	835	490	564	74	15.10%
Pest Control	0	0	0	0	0	0.00%
Planning	22,000	20,725	12,725	354,092	341,367	2682.65%
Housing Repairs	10,427	24,997	25,041	24,906	-135	-0.54%
Finance	9,186	9,186	9,186	9,186	0	0.00%
Atkins Building	8,355	5,968	6,559	6,663	104	1.59%
Waste Services	3,747	0	0		0	0.00%
Leisure	111,305	101,305	316,238	3,044	-313,194	-99.04%
Human Resources	415	1,149	522	522	0	0.00%
Street Scene	0	0	632	632	0	0.00%
Total	1,342,356	1,452,202	1,295,302	1,558,249	262,947	20.30%

*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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