



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Finance & Performance Scrutiny 7 November 2022

Wards affected All wards

SUNDRY DEBTS – Q2 2022/2023

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 Sept 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 September 2022, the overall sundry debt was £2,186,609. The current balance can be broken down by age as follows:

Description	
Credits, Refunds and Payments	-£167,103
Not Yet Due	£42,237
< 30 Days	£627,049
30 - 59 Days	£133,042
60 - 89 Days	£71,650
90 - 119 Days	£81,137
> 120 Days	£1,398,597
Total Debt	£2,186,609

- 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 September 2022 was 32.38%, 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 1,712 with an average value of £864. This has increased from 1,575 since the last quarter. The other primary reason for the reduction in performance is due to overall debt levels reducing from £2.228m to £2.186m.

	£	Description
Total debt	2,186,609	
	-354,702	Homelessness
	-339,204	Installment Plans
	-447,334	In Dispute
	1,045,370	(A)
Over 90 days	1,479,735	
	-354,702	Homelessness
	-339,204	Installment Plans
	-447,334	In Dispute
	338,495	(B)
Performance	32.38%	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 September 2022.

Sum of Total Outstanding over 90 days	Q3	Q4	q1	Q2	Q2 to Q1 £	%
Building Control	9,008	11,547	11,045	19,837	8,792	79.61%
Environmental Health	2,666	3,401	3,490	8,002	4,512	129.26%
Estates*	544,779	401,363	417,710	415,337	-2373	-0.57%
Green Spaces	4,348	3,702	4,403	3,113	-1,290	-29.29%
Grounds Maintenance	1,236	1,236	4,793	4,793	0	0%
Homeless	293,957	315,453	340,389	354,702	14,313	4.20%
Housing	119,083	128,258	133,260	131,493	-1,766	-1.33%
Markets	3,542	3,644	3,675	3,604	-71	-1.93%
Other	33,519	23,852	35,398	47,083	11,685	33.01%
Refuse/ Recycling	46,974	26,466	24,154	28,383	4,229	17.51%
Other LA	228,925	4,987	180,323	36,600	-143,723	-79.70%
Licensing	835	490	564	744	180	31.93%
Pest Control	0	0	0	0	0	0%
Planning	20,725	12,725	354,092	374,767	20,675	5.84%
Housing Repairs	24,997	25,041	24,906	24,771	-135	-0.54%
Finance	9,186	9,186	9,186	9,186	0	0%
Atkins Building	5,968	6,559	6,663	14,214	7,550	113.31%
Waste Services	0	0	0	0	0	0%
Leisure	101,305	316,238	3,044	3,044	0	0%
Human Resources	1,149	522	522	0	-522	-100.00%
Street Scene	0	632	632	632	0	0%
Total	1,452,202	1,295,302	1,558,249	1,480,305	77,945	5.27%

*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
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Background papers: Civica Reports
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