

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

27 November 2019

Corporate Debt – Quarter 2

Report of the Head of Resources and Revenues and S151 Officer

This report is public

Purpose of the Report

- The purpose of this report is to present to Members of the Audit and Corporate Governance Scrutiny Committee a summary of the corporate debt position as at 30 September 2019.

1 Report Details

- 1.1 To update Members of the Audit and Corporate Governance Scrutiny Committee on the position regarding corporate debt.
- 1.2 Appendix 1 of this report details the debt position with regard to sundry debtors, overpaid housing benefit and rents as at 30 September 2019.

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit and Corporate Governance Scrutiny Committee are informed of the latest position concerning the Council's debt.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 This report is for information only.

5 Implications

5.1 Finance and Risk Implications

Appendix 1 details the current position regarding corporate debt. Failure to collect this debt would have a detrimental impact on the Council's financial position and may result in some of the debt being written off.

5.2 **Legal Implications including Data Protection**

These are none arising directly from this report.

5.3 **Human Resources Implications**

These are none arising directly from this report.

6 **Recommendations**

- 6.1 That the Audit and Corporate Governance Scrutiny Committee note the report concerning the Council's Corporate Debt as at 30 September 2019.

7 **Decision Information**

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has relevant Portfolio Member been informed?	Yes
District Wards Affected	None directly.
Links to Corporate Plan priorities or Policy Framework	All

8 **Document Information**

Appendix No	Title
1	Corporate Debt – Quarter 2
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Jayne Dethick – Head of Resources and Revenues and S151 Officer	01246 217078

Aged Debt Reporting – Sundry Debtors

APPENDIX 1: TABLE 1

Debt Outstanding as at	Current Debt £000	90 – 365 Days £000	1 to 2 years £000	2 – 3 years £000	3 – 4 years £000	4 – 5 years £000	5+ years £000	Total £000	Write Offs £000
Average Debt 2014/15	1,330	180	42	27	34	5	24	1,642	7
Average Debt 2015/16	972	201	76	27	23	33	25	1357	14
Average Debt 2016/17	1551	104	68	49	16	21	32	1839	58
30 June 2017 – none LA's	378	50	37	23	14	9	31	542	
30 June 2017 – other LA's	137	0	26	3	0	0	0	166	
30 Sept 2017 – none LA's	825	99	30	23	21	9	31	1038	
30 Sept 2017 – other LA's	186	32	0	0	3	0	0	221	
31 Dec 2017 – none LA's	395	56	31	21	14	8	22	547	
31 Dec 2017 – other LA's	138	1	0	0	3	0	0	142	
31 March 2018 – none LA's	728	44	47	12	20	9	22	882	
31 March 2018 – other LA's	339	1	0	0	3	0	0	343	
Average Debt 2017/18	781	71	43	21	19	9	26	970	11
30 June 2018 – none LA's	438	39	45	20	21	7	23	593	
30 June 2018 – other LA's	822	82	0	0	0	3	0	904	
30 Sept 2018 – none LA's	630	47	29	14	6	3	22	751	
30 Sept 2018 – other LA's	750	5	0	0	0	3	0	758	
31 Dec 2018 – none LA's	417	47	24	17	6	2	23	536	
31 Dec 2018 – other LA's	55	1	0	0	0	3	0	59	
31 March 2019 – none LA's	132	34	14	26	5	15	27	253	
31 March 2019 – other LA's	164	0	0	0	0	3	0	167	
Average Debt 2018/19	852	64	112	19	9	10	24	1090	41
30 June 2019 – none LA's	629	42	11	28	10	7	21	748	
30 June 2019 – other LA's	177	0	0	0	0	3	0	180	
30 Sept 2019 – none LA's	969	41	20	26	11	5	21	1,093	
30 Sept 2019 – other LA's	153	13	0	0	0	0	3	169	
31 Dec 2019 – none LA's	0	0	0	0	0	0	0	0	
31 Dec 2019 – other LA's	0	0	0	0	0	0	0	0	
31 March 2020 – none LA's	0	0	0	0	0	0	0	0	
31 March 2020 – other LA's	0	0	0	0	0	0	0	0	
Average Debt 2019/20	964	48	16	27	10	7	23	1,095	(1)

APPENDIX 1: TABLE 2

Aged Debt Reporting – Overpaid Housing Benefits

Debt Outstanding as at	Current Debt	90 to 365 days	1 to 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Over 5 years	Total	Write offs
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Average Debt 2014/15	137	211	201	191	145	81	150	1,116	19
Average Debt 2015/16	182	336	263	172	160	133	209	1,445	76
Average Debt 2016/17	173	332	346	203	123	128	241	1,546	144
30 June 2017	134	355	357	232	140	112	255	1,585	
30 September 2017	153	321	333	242	149	96	294	1,588	
31 December 2017	132	303	292	270	174	95	291	1,557	
31 March 2018	144	292	307	280	165	118	291	1,597	
Average Debt 2017/18	141	318	322	256	157	105	283	1,582	89
30 June 2018	125	285	293	275	184	122	313	1,597	
30 September 2018	138	267	288	256	189	132	338	1,608	
31 December 2018	98	261	299	228	209	154	340	1,589	
31 March 2019	56	237	285	251	223	143	367	1,561	
Average Debt 2018/19	104	263	291	253	201	138	340	1,589	38
30 June 2019	80	185	278	245	225	154	395	1,562	
30 September 2019	52	147	278	244	221	158	412	1,512	
31 December 2019	0	0	0	0	0	0	0	0	
31 March 2020	0	0	0	0	0	0	0	0	
Average Debt 2019/20	66	166	278	244	223	156	404	1,537	0

APPENDIX 1: TABLE 3

HRA total Indebtedness

Debt Outstanding as at	Total	Write Offs in Year
	£000	£000
Average Debt 2014/15	2,359	143
Average Debt 2015/16	2,203	266
Average Debt 2016/17	2,023	178
30 June 2017	2,171	
30 September 2017	2,227	
31 December 2017	2,139	
31 March 2018	1,577	
Average Debt 2017/18	2,028	203
30 June 2018	1,921	
30 September 2018	2,118	
31 December 2018	1,715	
31 March 2019	1,474	
Average Debt 2018/19	1,807	162
30 June 2019	1,810	
30 September 2019	2,047	
31 December 2019	0	
31 March 2020	0	
Average Debt 2019/20	1,928	(1)

APPENDIX 1: TABLE 4**SUMMARY OF PROVISION FOR DOUBTFUL DEBTS 2019/20**

	General Fund Sundry Debtors	Over Paid Housing Benefit	HRA Rents	Total
	£000's	£000's	£000's	£000's
Balance B/Fwd	(105)	(1,287)	(836)	(2,228)
Write offs in current financial year	(1)	0	(1)	(2)
Actual increase in provision	(20)	(0)	(0)	(20)
Provision C/fwd	(126)	(1,287)	(837)	(2,250)
Current Debt position	1,095	1,537	1,928	4,560
Percentage Coverage	11.5%	83.7%	43.4%	49.3%