

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**10 February 2021**

**Corporate Debt – 31 December 2020**

**Report of the Head of Finance and Resources**

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 at 31 December 2020.

**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.
- 1.3 During the early months of the pandemic, in line with Government guidance, the Council did not take any recovery action. The Council has over the past few months engaged in “soft” recovery through re-engaging with our customers and opening up a dialogue about payment, offering support where needed. The impact of this has been carefully monitored and has largely been positive. The point has now been reached where those who want to pay but are having difficulty are engaging with us and we now need to take the step to engage with those who haven’t so will be commencing recovery action through the issuing of reminders during February.

**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. The impact of the pandemic on our customers' needs to be taken into account this year and is likely to impact on the Council's ability to collect this debt. This may have a detrimental impact on the Council's financial position and is being closely monitored.

### 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 31 December 2020.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> 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:</i> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <i>NEDDC:</i> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>Has relevant Portfolio Member been informed?</b>	Yes
<b>District Wards Affected</b>	None directly.
<b>Links to Corporate Plan priorities or Policy Framework</b>	All

8 **Document Information**

<b>Appendix No</b>	<b>Title</b>
1	Corporate Debt
<b>Background Papers</b> (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)	
<b>Report Author</b>	<b>Contact Number</b>
Jayne Dethick – Head of Finance and Resources	01246 217078

**APPENDIX 1: TABLE 1**

**Aged Debt Reporting – Sundry Debtors**

Debt Outstanding as at	Current Debt	90 – 365 Days	1 to 2 years	2 – 3 years	3 – 4 years	4 – 5 years	5+ years	Total	Write Offs
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Average Debt 2015/16</b>	<b>972</b>	<b>201</b>	<b>76</b>	<b>27</b>	<b>23</b>	<b>33</b>	<b>25</b>	<b>1357</b>	<b>14</b>
<b>Average Debt 2016/17</b>	<b>1551</b>	<b>104</b>	<b>68</b>	<b>49</b>	<b>16</b>	<b>21</b>	<b>32</b>	<b>1839</b>	<b>58</b>
<b>Average Debt 2017/18</b>	<b>781</b>	<b>71</b>	<b>43</b>	<b>21</b>	<b>19</b>	<b>9</b>	<b>26</b>	<b>970</b>	<b>11</b>
<b>Average Debt 2018/19</b>	<b>852</b>	<b>64</b>	<b>112</b>	<b>19</b>	<b>9</b>	<b>10</b>	<b>24</b>	<b>1090</b>	<b>41</b>
30 June 2019	806	42	11	28	10	10	21	928	
30 Sept 2019	1122	54	20	26	11	5	24	1262	
31 Dec 2019	443	33	24	22	15	6	25	567	
31 March 2020	50	28	32	13	26	5	25	728	
<b>Average Debt 2019/20</b>	<b>605</b>	<b>39</b>	<b>22</b>	<b>22</b>	<b>16</b>	<b>7</b>	<b>24</b>	<b>871</b>	<b>3</b>
31 August 2020	846	164	26	17	26	11	26	1,116	
31 October 2020	2,341	172	27	19	24	12	26	2,621	
31 December 2020	1,043	140	33	20	22	14	26	1,298	
<b>Average Debt 2020/21</b>	<b>1,410</b>	<b>158</b>	<b>29</b>	<b>19</b>	<b>24</b>	<b>12</b>	<b>26</b>	<b>1,678</b>	<b>1</b>

**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
<b>Average Debt 2015/16</b>	<b>182</b>	<b>336</b>	<b>263</b>	<b>172</b>	<b>160</b>	<b>133</b>	<b>209</b>	<b>1,445</b>	<b>76</b>
<b>Average Debt 2016/17</b>	<b>173</b>	<b>332</b>	<b>346</b>	<b>203</b>	<b>123</b>	<b>128</b>	<b>241</b>	<b>1,546</b>	<b>144</b>
<b>Average Debt 2017/18</b>	<b>141</b>	<b>318</b>	<b>322</b>	<b>256</b>	<b>157</b>	<b>105</b>	<b>283</b>	<b>1,582</b>	<b>89</b>
<b>Average Debt 2018/19</b>	<b>104</b>	<b>263</b>	<b>291</b>	<b>253</b>	<b>201</b>	<b>138</b>	<b>340</b>	<b>1,589</b>	<b>38</b>
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	80	107	263	258	198	182	434	1,522	
31 March 2020	87	110	217	240	204	197	457	1,510	
<b>Average Debt 2019/20</b>	<b>75</b>	<b>137</b>	<b>259</b>	<b>247</b>	<b>212</b>	<b>173</b>	<b>425</b>	<b>1,527</b>	<b>68</b>
31 August 2020	39	135	146	239	209	205	531	1,504	
31 October 2020	67	116	138	224	223	194	555	1,517	
31 December 2020	58	113	115	233	226	178	586	1,509	
<b>Average Debt 2020/21</b>	<b>55</b>	<b>121</b>	<b>133</b>	<b>232</b>	<b>219</b>	<b>192</b>	<b>558</b>	<b>1,510</b>	<b>0</b>

**HRA total Indebtedness**

<b>Debt Outstanding as at</b>	<b>Total</b>	<b>Write Offs in Year</b>
	<b>£000</b>	<b>£000</b>
<b>Average Debt 2015/16</b>	<b>2,203</b>	<b>266</b>
<b>Average Debt 2016/17</b>	<b>2,023</b>	<b>178</b>
<b>Average Debt 2017/18</b>	<b>2,028</b>	<b>203</b>
<b>Average Debt 2018/19</b>	<b>1,807</b>	<b>162</b>
30 June 2019	1,810	
30 September 2019	2,047	
31 December 2019	1,712	
31 March 2020	1,462	
<b>Average Debt 2019/20</b>	<b>1,928</b>	<b>208</b>
31 August 2020	1,897	
31 October 2020	2,083	
31 December 2020	2,138	
<b>Average Debt 2020/21</b>	<b>2,039</b>	<b>114</b>

## SUMMARY OF PROVISION FOR DOUBTFUL DEBTS 2020/21

	General Fund Sundry Debtors	Over Paid Housing Benefit	HRA Rents	Total
	£000's	£000's	£000's	£000's
Balance B/Fwd	(133)	(1,311)	(863)	(2,307)
Write offs in current financial year	1	0	114	115
Actual increase in provision	0	0	0	0
<b>Provision C/Fwd</b>	<b>(132)</b>	<b>(1,311)</b>	<b>(749)</b>	<b>(2,192)</b>
Current Debt position	1,298	1,509	2,138	4,945
Percentage Coverage	10.17%	86.88%	35.03%	44.33%