

Report to: **Audit and Governance Committee**

Date: **10 October 2023**

Title: **Sundry Debt**

Portfolio Area: **Resources – Cllr C Edmonds**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: N/A

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Recommendation:

That the Audit and Governance Committee note the position in relation to Sundry Debt.

1. Executive summary

1.1 This report provides Members with an update of the position of Sundry Debt up to 31st August 2023. The report concentrates on debts over 45 days old.

1.2 The key points within this report are:

- Sundry debts have increased slightly from £135k in January 2023 to £142k
- One debt (£18k) relates to a rental property where the level of service charges are being discussed
- One debt (£16k) relates to Environment Health remedial work.
- One debt (£10k) relates to an overpaid covid business grant but efforts to recover this overpayment are proving difficult.

2. Background

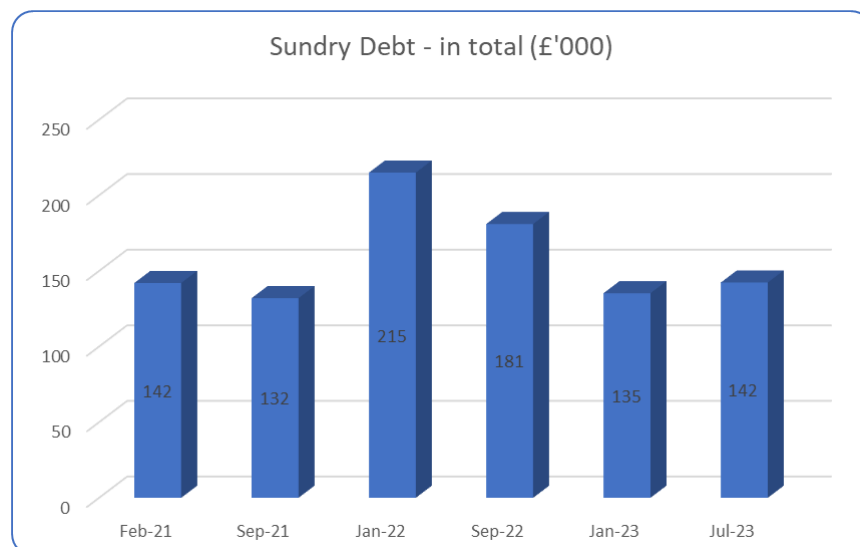
- 2.1 The Council's management arrangements underpin delivery of all the Council's priorities, including the commitment to providing value for money services. Incorporated within this, is the timely collection of monies due to the Council. Debts are recovered in accordance with the Council's Recovery Policy as published on our website.
- 2.2 The implementation of a debt recovery comprehensive action plan has resulted in robust recovery procedures. This report outlines the latest positions in collection relating to Sundry Debt by providing data that demonstrates the progress made.

3. Outcomes/outputs

- 3.1 This report covers the;
- Level of Sundry Debts over 45 days old
 - An analysis of the age of this debt.
 - A breakdown of the debts over 120 days old by department.
- 3.2 All Council sundry debts are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a series of reminders are issued promptly to the debtor. If this fails to secure payment, recovery is pursued through the courts.

Sundry Debts

- 3.3 The balance of arrears for Sundry Debts over recent years is summarised below. The balance has increased slightly from £135k in January 2023 to £142k.

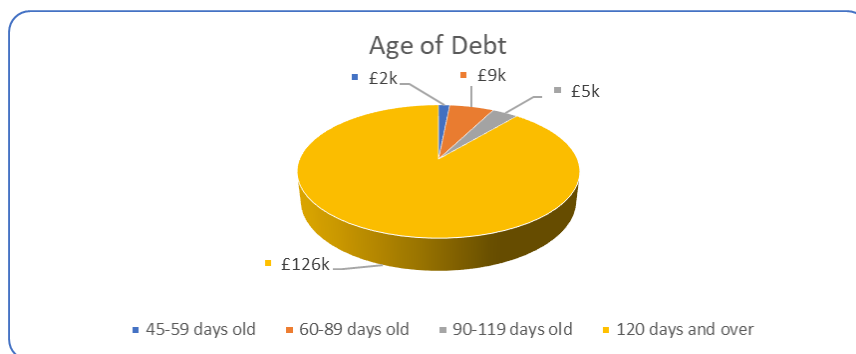


3.4 Sundry Debts consist of Estates Management, Licencing and Housing. This excludes car parking fines which are included on a different system.

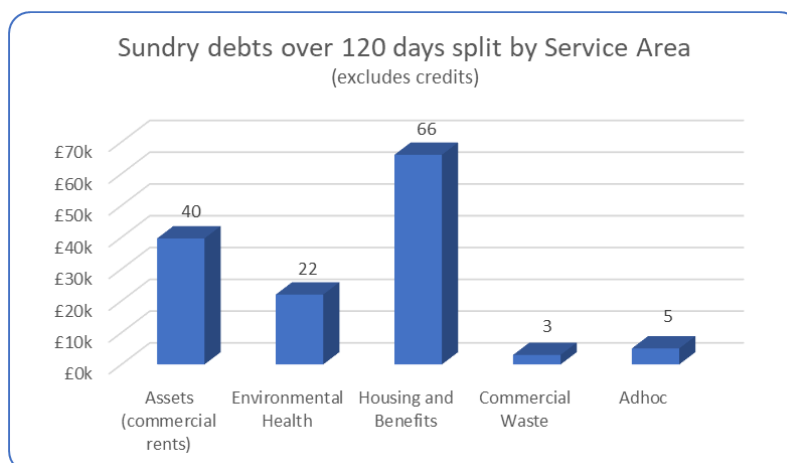
3.5 The current balance for Sundry Debts of £142k includes three high value debtors (£10k or above).

- One debt (£18k) relates to a rental property where the level of service charges are being discussed. This is being clarified by the Assets team.
- One debt (£16k) relates to Environment Health remedial work. The department are seeking to undertake legal action against the debtor.
- One debt (£10k) relates to an overpaid covid business grant but efforts to recover this overpayment are proving difficult.

3.6 This balance can be further broken down by age category to give a clearer picture of the nature of Sundry Debt arrears, as follows.



3.7 The Sundry debts over 120 days can be further analysed by service area and is shown in the graph below.



3.8 The above detailed figures exclude the credits held on a number of accounts. The total of debts excluding credits is £136k.

3.9 It can be seen that £66k relates to Housing and Benefits which are notoriously difficult debts to recover. This makes up 49% of the total debt in this age category. Nearly half of the £40k debts for the Asset team relate to the debtor detailed in paragraph 3.5. £22k (16%) relates to Environmental Health invoices, mainly due to the high-value debtor mentioned in the same paragraph above.

Sundry debt written off

3.10 There have been no sundry debts written off during the current financial year.

4. Proposed way forward

4.1 The Committee note the content of this report and continue half yearly reporting.

5. Implications

Implications	Relevant Y/N	Details and proposed measures to address
Legal/ Governance	Y	The guidelines for Statutory Interest Charging and adding recovery costs falls under the European Directive 2011/7/EU on Combating Late Payment in Commercial Transactions. Enforcing successful legal action for recovery of debt is dependent upon a robust system of ensuring correct business names are recorded within our systems.
Financial implications to include reference to value for money	Y	Improved income collection, resulting in less impact of uncollectable debt on the Income and Expenditure Account, due to fewer write offs.
Risk	Y	There remains a risk of income not being collected. The Debt Recovery Plan alongside the Debt Recovery Policy seeks to minimise this. Risk to reputation is managed carefully by prompt recovery of amounts due wherever possible. This risk is also mitigated by taking a

		balanced view and ensuring that resources are not expended on debts which are not cost effective to pursue and these are written off in accordance with the Council's Write Off Policy
Supporting Corporate Strategy		The debt recovery process supports all of the Thematic Delivery Plans outlined in 'A Plan for West Devon'.
Climate Change - Carbon / Biodiversity Impact		None directly arising from this report.
Consultation and Engagement Strategy		External consultation and engagement has not been undertaken with regard to this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place.
Safeguarding	N	N/A
Community Safety, Crime and Disorder	N	N/A
Health, Safety and Wellbeing	N	N/A
Other implications	N	None

Supporting Information

Appendices:

None

Background Papers:

None

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes
SLT Rep briefed/sign off	Yes
Relevant Heads of Practice sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	N/A