



## AUDIT COMMITTEE REPORT

<b>Report Title</b>	<b>Corporate debt – Progress and Age debt analysis</b>
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### 1. Progress

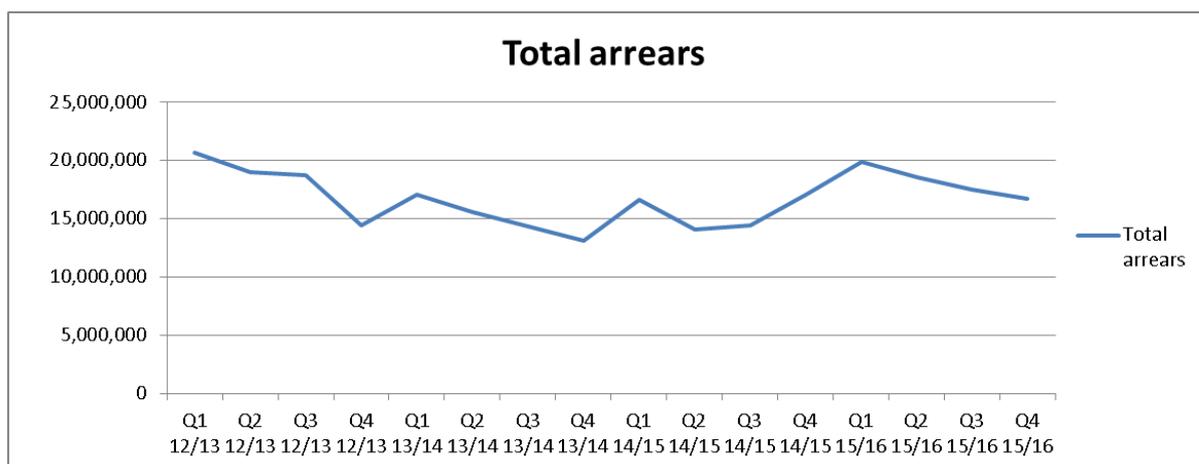
1.1 We have compiled a corporate debt matrix that monitors the % of debt not currently managed within the Council. This offers “at a glance” view of all debt across the Council, along with the current status of debt. This has improved the way our Cabinet Member and management board review our position on debt.

1.2 Quarterly performance for 12/13 and 13/14 can be found at Appendix A)

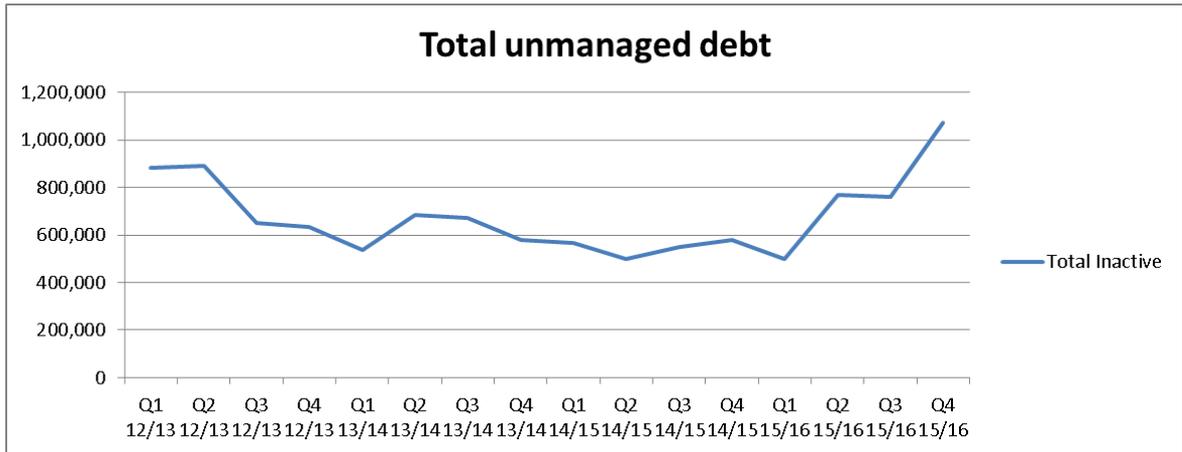
1.3 Quarterly performance for 14/15 and 15/16 to date can be found at Appendix B)

1.4 A Rolling 12 month comparative performance illustration can be found at Appendix C

#### 1.5 Overall debt levels as at 31<sup>st</sup> January 2016

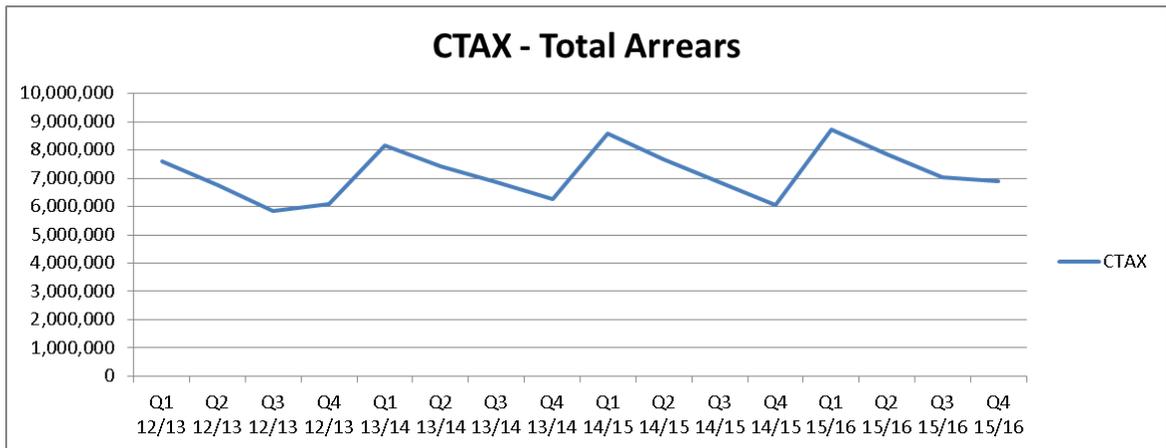


The overall outstanding arrears have increased by £ 2,030,514 compared to the same point last year. Please see individual debt types for explanation of increase.

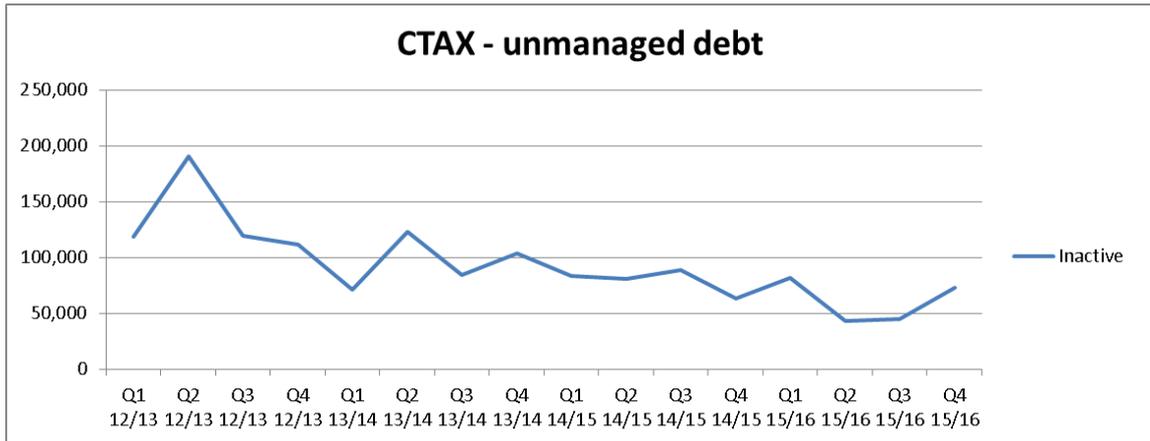


Unmanaged debt is £599,283 more than the same time last year. A specific issue has been identified within sundry the debt figures. Once this has been addressed the proportion of unmanaged debt against the overall arrears will have increased by 0.03%, demonstrating that overall the Council is still working hard to maximise its income.

#### 1.6 Council Tax as at 31<sup>st</sup> January 2106



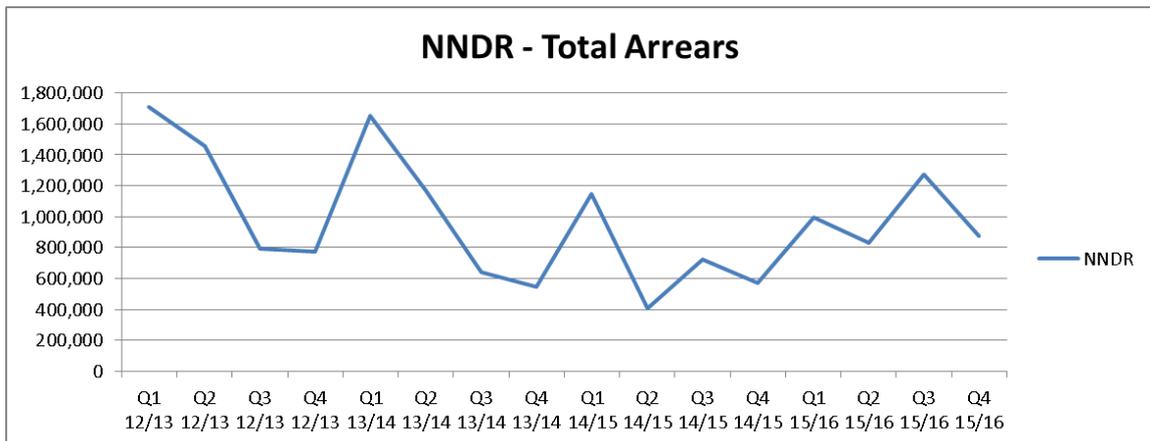
The overall outstanding arrears are £374,016 more than at the same point last year, which is due to an increase in the Council Tax charge in 2014/15 and a reduction in the 2014/15 Council Tax Reduction Scheme.



Unmanaged debt is £20,518 greater than the same time last year, however the amount of debt collected is £127,661 higher during this financial year. .

The continued introduction of Welfare Reforms continue to increase the pressure on those liable for Council Tax and on a low income., There has also been a significant rise in the number of attachment of benefits orders.

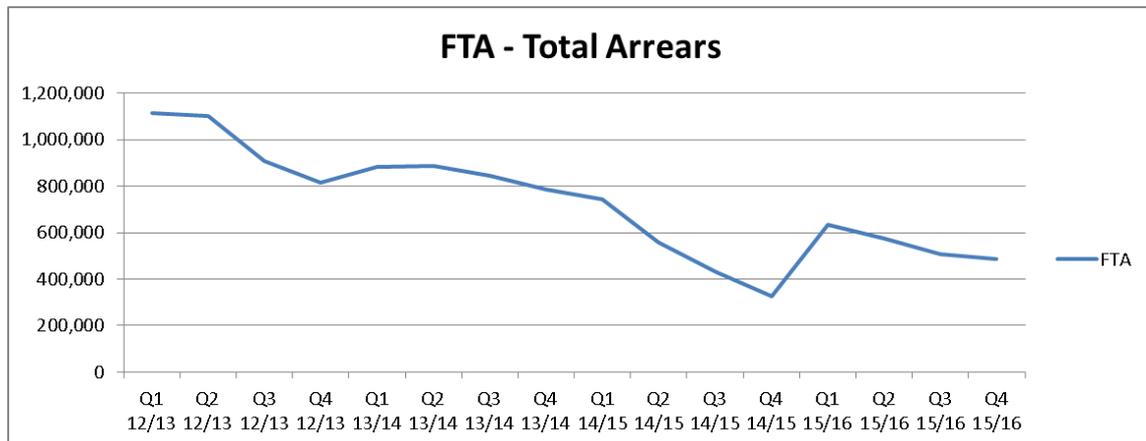
#### 1.7 Business Rates (NNDR) as at 31<sup>st</sup> January 2016



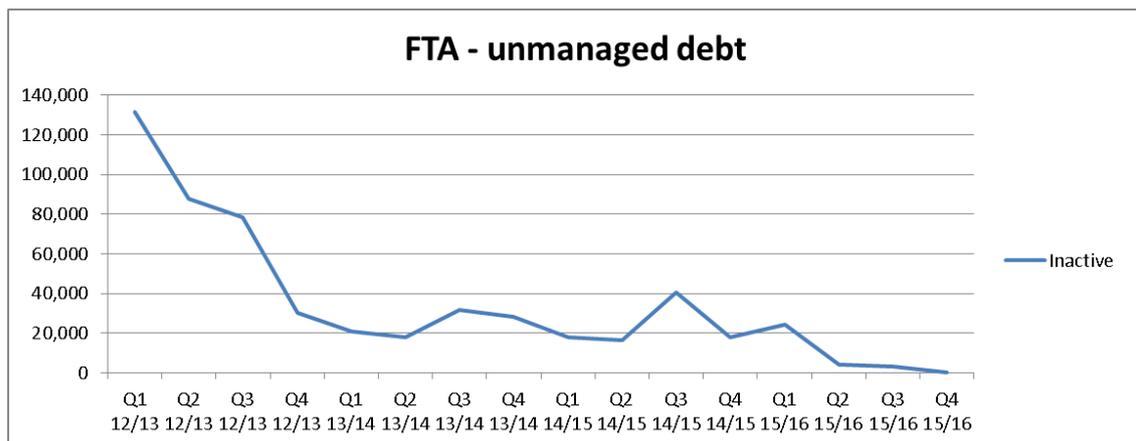
The overall outstanding arrears are £102,256 more than at the same point last year. This is primarily due to increased rateable values being backdated into 2014/15. This is expected to be paid by the end of March 2016.

Unmanaged debt remains unchanged in NNDR as all accounts continue to be monitored on a monthly basis, due to the low number and high value of cases.

## 1.8 Former Tenant Arrears as at 31<sup>st</sup> January 2016

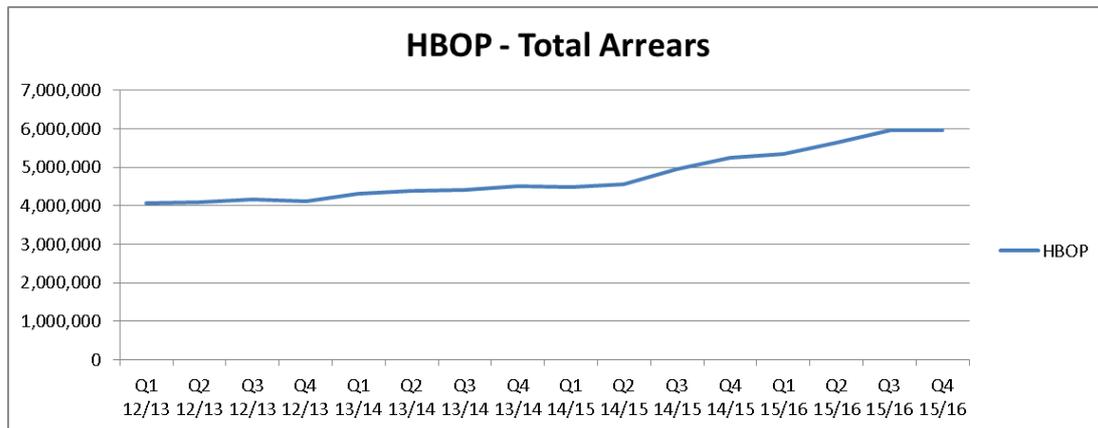


The overall outstanding arrears are £76,511 more than at the same point last year. This is due to a rise in the number of evictions, absconders and other terminations of tenancy.



Unmanaged debt is £11,493 less than the same time last year, and is the lowest amount of unmanaged debt to date, which demonstrates that despite the increase in arrears, officers collecting the debt continue to focus on managing the position.

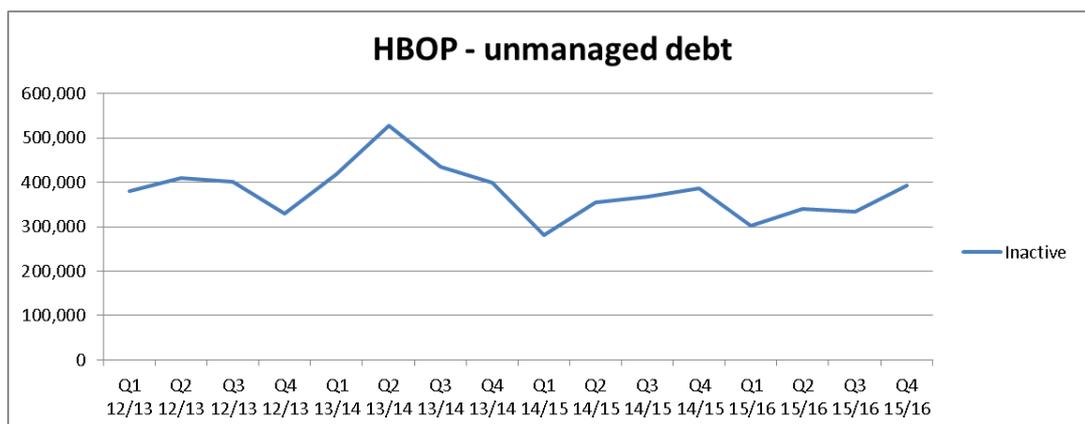
## 1.9 Housing Benefit Overpayments Payments as at 31<sup>st</sup> January 2016



The overall outstanding arrears are £850,195 more than at the same point last year. This is a national trend as the DWP has introduced two major initiatives, being “Real Time Information” and “Fraud and Error Reduction Incentive Scheme”, which the Council is fully supporting.

These are designed to drive error and fraud out of the benefit system, however the consequence is that it creates overpayments that need collecting.

The current benefit team’s performance has reduced the impact on the Council. Focusing resource on this debt has also supported better outcomes, which can be demonstrated by the reduction in the percentage of unmanaged debt. These debts remain very difficult to collect due to the limited recovery methods available to us, and the economic climate.



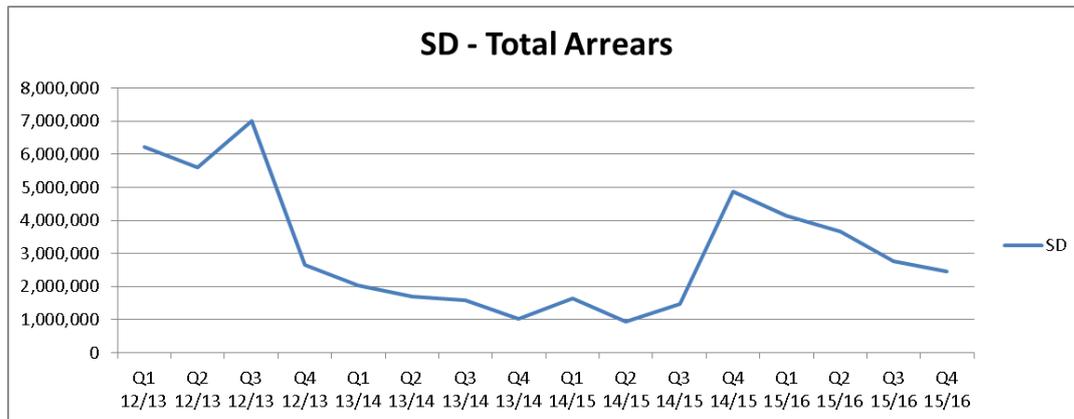
Unmanaged debt is £39,652 more than the same time last year, but as a proportion of the outstanding balance it has reduced by 0.32% over the same period.

The Welfare Reform measures are increasing the pressure on these individuals clearing the debt. Housing benefit overpayments are deemed as

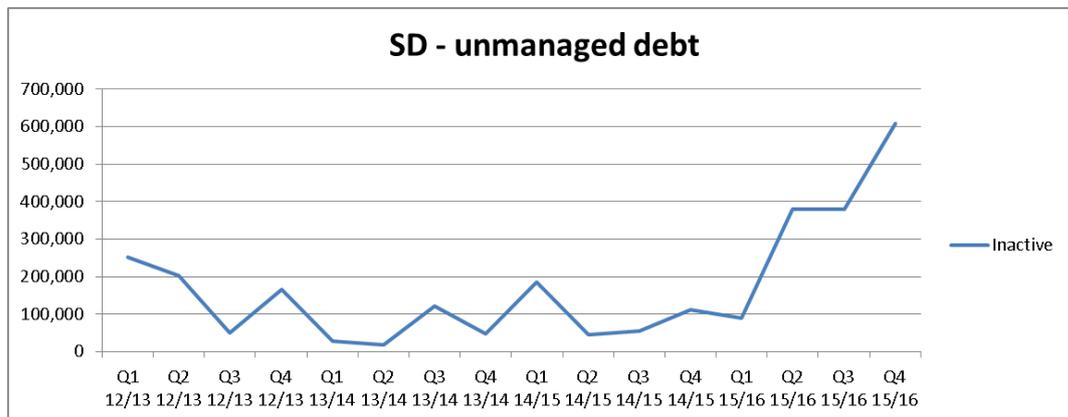
a lower priority, when compared to other debt types, and arrangements tend to be small amounts over a long period of time.

We have also seen an increase in direct debit payers for this type of debt, but once again small amounts over a longer period of time.

### 1.10 Sundry Debts as at 31<sup>st</sup> January 2016



The overall outstanding arrears are £627,256 more than at the same point last year.



The unmanaged debt is £550,607 more than the same time last year. All of this controlled recovery activity is undertaken within the individual service areas in the Council. Around £528k lies within Asset Management, who are aware of this recent spike and are taking measures to address this in the coming months. The unmanaged debt controlled by the Revenues and Benefits Service 0%.

Appendix A								
YEAR on YEAR PERFORMANCE	2012/13				2013/14			
	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR
<b>TOTAL ARREARS</b>	<b>20,686,484</b>	<b>18,990,764</b>	<b>18,708,429</b>	<b>14,448,119</b>	<b>17,025,467</b>	<b>15,552,879</b>	<b>14,348,298</b>	<b>13,133,970</b>
Total Awaiting Action	882,816	889,537	650,088	635,627	538,313	686,348	672,446	578,997
Managed Debt	19,803,668	18,101,227	18,058,341	13,812,492	16,466,850	14,866,531	13,675,852	14,052,291
% unmanaged debt [PI]	<b>4.27%</b>	<b>4.68%</b>	<b>3.47%</b>	<b>4.40%</b>	<b>3.16%</b>	<b>4.41%</b>	<b>4.69%</b>	<b>4.41%</b>
<b>CTAX</b>	<b>7,590,716</b>	<b>6,748,461</b>	<b>5,851,338</b>	<b>6,090,189</b>	<b>8,149,267</b>	<b>7,430,390</b>	<b>6,857,434</b>	<b>6,281,511</b>
unmanaged debt	118,927	190,988	119,645	111,528	71,102	123,521	84,934	103,752
managed debt	7,471,789	6,557,474	5,731,693	5,978,660	8,078,165	7,306,869	6,772,500	6,177,759
unmanaged debt	<b>1.57%</b>	<b>2.83%</b>	<b>2.04%</b>	<b>1.83%</b>	<b>0.87%</b>	<b>1.66%</b>	<b>1.24%</b>	<b>1.65%</b>
<b>NNDR</b>	<b>1,709,394</b>	<b>1,454,169</b>	<b>792,303</b>	<b>776,782</b>	<b>1,650,440</b>	<b>1,162,504</b>	<b>639,286</b>	<b>543,491</b>
unmanaged debt	0	0	0	0	0	0	0	0
managed debt	1,709,394	1,454,169	792,303	776,782	1,630,136	1,162,504	639,286	543,491
unmanaged debt	<b>0.00%</b>							
<b>FTA</b>	<b>1,112,712</b>	<b>1,101,424</b>	<b>907,131</b>	<b>814,503</b>	<b>883,694</b>	<b>886,670</b>	<b>845,330</b>	<b>784,750</b>
unmanaged debt	131,638	87,568	78,244	30,016	20,639	17,649	31,602	28,324
managed debt	981,074	1,013,856	828,887	784,487	863,054	869,021	813,728	756,426
unmanaged debt	<b>11.83%</b>	<b>7.95%</b>	<b>8.63%</b>	<b>3.69%</b>	<b>2.34%</b>	<b>1.99%</b>	<b>3.74%</b>	<b>3.61%</b>
<b>HBOP</b>	<b>4,062,784</b>	<b>4,090,115</b>	<b>4,152,394</b>	<b>4,122,698</b>	<b>4,313,173</b>	<b>4,381,953</b>	<b>4,413,462</b>	<b>4,515,411</b>
unmanaged debt	380,956	409,456	402,007	328,701	418,400	528,023	434,249	399,861
managed debt	3,681,828	3,680,659	3,750,387	3,793,997	3,894,773	3,853,930	3,979,213	4,115,550
unmanaged debt	<b>9.38%</b>	<b>10.01%</b>	<b>9.68%</b>	<b>7.97%</b>	<b>9.70%</b>	<b>12.05%</b>	<b>9.84%</b>	<b>8.86%</b>
<b>Sundry Debt</b>	<b>6,210,878</b>	<b>5,596,594</b>	<b>7,005,263</b>	<b>2,643,948</b>	<b>2,028,893</b>	<b>1,691,362</b>	<b>1,592,786</b>	<b>1,008,807</b>
unmanaged debt	251,296	201,526	50,191	165,382	28,172	17,155	121,661	47,060
managed debt	5,959,582	5,395,068	6,955,072	2,478,566	2,000,722	1,674,207	1,471,125	961,747
unmanaged debt	<b>4.05%</b>	<b>3.60%</b>	<b>0.72%</b>	<b>6.26%</b>	<b>1.40%</b>	<b>1.01%</b>	<b>7.64%</b>	<b>4.66%</b>

Appendix B								
YEAR on YEAR PERFORMANCE	2014/15				2015/16			
	JUN	SEP	DEC	MAR	JUN	SEP	DEC	JAN
<b>TOTAL ARREARS</b>	<b>18,208,120</b>	<b>14,124,390</b>	<b>14,440,723</b>	<b>17,079,190</b>	<b>19,855,282</b>	<b>22,074,394</b>	<b>17,509,123</b>	<b>16,675,241</b>
Total Awaiting Action	567,258	499,008	550,951	580,064	498,052	552,182	761,254	1,073,843
Managed Debt	17,640,862	13,625,382	13,889,772	16,499,126	19,357,231	21,522,212	16,747,869	15,601,398
% unmanaged debt [PI]	<b>3.12%</b>	<b>3.53%</b>	<b>3.82%</b>	<b>3.40%</b>	<b>2.51%</b>	<b>2.50%</b>	<b>4.35%</b>	<b>6.44%</b>
<b>CTAX</b>	<b>8,597,465</b>	<b>7,664,327</b>	<b>6,851,511</b>	<b>6,053,552</b>	<b>8,739,169</b>	<b>7,857,713</b>	<b>7,021,084</b>	<b>6,896,031</b>
unmanaged debt	83,329.16	81,410	89,457	63,263	81,903	43,391	44,952	73,160
managed debt	8,514,136	7,582,917	6,762,054	5,990,289	8,657,265	7,814,322	6,976,133	6,822,871
unmanaged debt	<b>0.97%</b>	<b>1.06%</b>	<b>1.31%</b>	<b>1.05%</b>	<b>0.94%</b>	<b>0.55%</b>	<b>0.64%</b>	<b>1.06%</b>
<b>NDR</b>	<b>1,148,540</b>	<b>407,858</b>	<b>721,649</b>	<b>568,644</b>	<b>991,831</b>	<b>830,958</b>	<b>1,275,782</b>	<b>876,890</b>
unmanaged debt	0	0	0	0	0	0	0	0
managed debt	1,148,540	407,858	721,649	568,644	991,831	830,958	1,275,782	876,890
unmanaged debt	<b>0.00%</b>							
<b>FTA</b>	<b>742,327</b>	<b>557,708</b>	<b>429,510</b>	<b>328,049</b>	<b>635,801</b>	<b>573,762</b>	<b>507,991</b>	<b>484,431</b>
unmanaged debt	18,007	16,431	40,378	17,761	24,097	4,015	3,245	262
managed debt	724,320	541,277	389,132	310,288	611,704	569,747	504,746	484,168
unmanaged debt	<b>2.43%</b>	<b>2.95%</b>	<b>9.40%</b>	<b>5.41%</b>	<b>3.79%</b>	<b>0.70%</b>	<b>0.64%</b>	<b>0.05%</b>
<b>HBOP</b>	<b>4,489,715</b>	<b>4,555,039</b>	<b>4,960,760</b>	<b>5,243,926</b>	<b>5,356,015</b>	<b>5,645,801</b>	<b>5,950,555</b>	<b>5,958,315</b>
unmanaged debt	280,033	355,323.49	366,800	386,239	302,154	340,936	334,247	392,096
managed debt	4,209,682	4,199,716	4,593,960	4,857,687	5,053,861	5,304,865	5,616,308	5,616,308
unmanaged debt	<b>6.24%</b>	<b>7.80%</b>	<b>7.39%</b>	<b>7.37%</b>	<b>5.64%</b>	<b>6.04%</b>	<b>5.62%</b>	<b>6.58%</b>
<b>Sundry Debt</b>	<b>1,645,384</b>	<b>939,457.37</b>	<b>1,477,293</b>	<b>4,885,020</b>	<b>4,132,467</b>	<b>7,166,160</b>	<b>2,753,711</b>	<b>2,459,575</b>
unmanaged debt	185,889	45,844.00	54,316	112,802	89,897	163,839	378,810	608,326
managed debt	1,459,495	893,613	1,422,977	4,772,218	4,042,570	7,002,321	2,374,900	1,851,249
unmanaged debt	<b>11.30%</b>	<b>4.88%</b>	<b>3.68%</b>	<b>2.31%</b>	<b>2.18%</b>	<b>2.29%</b>	<b>13.76%</b>	<b>24.73%</b>

Appendix C													
Rolling Year	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
<b>TOTAL ARREARS</b>	14,644,727	15,079,585	17,079,191	20,082,983	19,036,952	19,855,283	18,778,191	19,509,096	22,074,394	17,558,291	18,642,332	17,509,046	16,675,241
unmanaged debt	474,560	594,959	580,065	447,272	528,392	498,052	634,254	972,351	552,182	642,253	954,877	761,254	1,073,843
<b>Debt in Progress</b>	14,170,165	14,484,626	16,499,126	19,635,711	18,508,560	19,357,231	18,143,937	18,536,745	21,522,213	16,916,038	17,687,455	16,747,792	15,601,398
<b>% unmanaged debt [PI]</b>	3.24%	3.95%	3.40%	2.23%	2.78%	2.51%	3.38%	4.98%	2.50%	3.66%	5.12%	4.35%	6.44%
<b>CTAX</b>	6,522,015	4,942,578	6,053,552	9,287,298	8,955,238	8,739,169	8,257,344	8,030,662	7,857,713	7,481,719	7,342,207	7,021,084	6,896,031
unmanaged debt	52,642	85,331	63,263	84,246	108,172	81,903	100,483	114,602	43,391	67,135	53,786	44,952	73,160
managed debt	6,469,373	4,857,247	5,990,289	9,203,051	8,847,066	8,657,265	8,156,861	7,916,060	7,814,322	7,414,584	7,288,422	6,976,133	6,822,871
unmanaged debt	0.81%	1.73%	1.05%	0.91%	1.21%	0.94%	1.22%	1.43%	0.55%	0.90%	0.73%	0.64%	1.06%
<b>NNDR</b>	774,634	1,047,581	568,644	1,293,525	906,635	991,831	1,165,951	1,104,323	830,958	821,547	1,688,848	1,275,782	876,890
unmanaged debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
managed debt	774,634	1,047,581	568,644	1,293,525	906,635	991,831	1,165,951	1,104,323	830,958	821,547	1,688,848	1,275,782	876,890
unmanaged debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FTA</b>	407,920	334,727	328,049	734,540	689,855	635,801	630,916	625,536	573,762	542,714	518,318	507,914	484,431
unmanaged debt	11,755	6,896	17,761	4,757	11,404	24,097	22,356	39,267	4,015	2,732	933	3,245	262
managed debt	396,164	327,831	310,288	729,782	678,451	611,704	608,560	586,269	569,747	539,981	517,385	504,669	484,168
unmanaged debt	2.88%	2.06%	5.41%	0.65%	1.65%	3.79%	3.54%	6.28%	0.70%	0.50%	0.18%	0.64%	0.05%
<b>HBOP</b>	5,108,120	5,208,681	5,243,926	5,341,081	5,324,474	5,356,015	5,400,878	5,563,545	5,645,801	5,664,808	5,805,170	5,950,555	5,958,315
unmanaged debt	352,444	445,013	386,239	313,673	338,524	302,154	371,648	651,923	340,936	425,958	418,648	334,247	392,096
managed debt	4,755,676	4,763,668	4,857,687	5,027,408	4,985,951	5,053,861	5,029,230	4,911,622	5,304,865	5,238,850	5,386,522	5,616,308	5,566,220
unmanaged debt	6.90%	8.54%	7.37%	5.87%	6.36%	5.64%	6.88%	11.72%	6.04%	7.52%	7.21%	5.62%	6.58%
<b>Sundry Debt</b>	1,832,038	3,546,018	4,885,020	3,426,540	3,160,750	4,132,467	3,323,102	4,185,029	7,166,160	3,047,503	3,287,789	2,753,711	2,459,575
unmanaged debt	57,719	57,719	112,802	44,595	70,293	89,897	139,767	166,559	163,839	146,428	481,509	378,810	608,326
managed debt	1,774,318	3,488,299	4,772,218	3,381,945	3,090,457	4,042,570	3,183,335	4,018,470	7,002,321	2,901,075	2,806,280	2,374,900	1,851,249
unmanaged debt	3.15%	1.63%	2.31%	1.30%	2.22%	2.18%	4.21%	3.98%	2.29%	4.80%	14.65%	13.76%	24.73%