

Open

Cabinet

Agenda Item 7.1 - Budget Monitoring First Quarter 2020-21

Electronic Appendices

To be held remotely
6pm
Wednesday, 16th September 2020



Wyre Forest District Council



WYRE FOREST DISTRICT COUNCIL

REVENUE BUDGET TOTAL REQUIREMENTS - DISTRICT COUNCIL PURPOSES

SERVICE	2019/20		2020/21			2021/22			2022/23		
	Original Estimate £	Revised Estimate £	At Nov.19 Prices £	Inflation £	TOTAL £	At Nov.19 Prices £	Inflation £	TOTAL £	At Nov.19 Prices £	Inflation £	TOTAL £
CHIEF EXECUTIVE AND SOLICITOR TO THE COUNCIL	1,490,640	1,790,810	1,348,430	25,630	1,374,060	808,500	65,720	874,220	1,000,710	109,380	1,110,090
COMMUNITY WELL-BEING AND ENVIRONMENT	4,700,920	4,524,110	4,332,040	89,820	4,421,860	3,984,060	227,800	4,211,860	3,890,130	383,760	4,273,890
ECONOMIC PROSPERITY AND PLACE	1,913,940	1,986,000	1,929,750	61,210	1,990,960	1,810,340	154,210	1,964,550	1,698,720	246,100	1,944,820
RESOURCES	3,648,500	3,574,290	3,626,440	63,200	3,689,640	3,498,310	178,150	3,676,460	3,492,640	306,830	3,799,470
LESS: CAPITAL ACCOUNT	11,754,000	11,875,210	11,236,660	239,860	11,476,520	10,101,210	625,880	10,727,090	10,082,200	1,046,070	11,128,270
INTEREST RECEIVED	362,870	(207,360)	237,070	1,020	238,090	530,910	2,880	533,790	757,320	4,960	762,280
CAPITAL PORTFOLIO FUND AND DEVELOPMENT	(121,440)	(171,370)	(180,130)	0	(180,130)	(212,500)	0	(212,500)	(240,000)	0	(240,000)
LOANS FUND (UNALLOCATED)	(149,880)	58,050	(71,720)	520	(71,200)	14,630	1,400	16,030	(7,870)	2,420	(5,450)
TOTAL NET EXPENDITURE ON SERVICES	11,845,550	11,554,530	11,221,880	241,400	11,463,280	10,434,250	630,160	11,064,410	10,591,650	1,053,450	11,645,100
LESS: CONTRIBUTION (FROM) TO RESERVES	(309,650)	(18,630)			(485,290)			(413,720)			(834,990)
NET BUDGET REQUIREMENT	11,535,900	11,535,900			10,977,990			10,650,690			10,810,110
LESS: REVENUE SUPPORT GRANT	0	0			0			356,790			356,790
BUSINESS RATES	(2,795,610)	(2,795,610)			(2,841,180)			(2,898,000)			(2,955,960)
BUSINESS RATES GROWTH	(600,000)	(600,000)			(500,000)			(225,000)			(225,000)
COLLECTION FUND DEFICIT	0	0			70,220			0			0
NEW HOMES BONUS	(906,100)	(906,100)			(261,530)			(201,960)			(63,390)
GENERAL EXPENSES -											
COUNCIL TAX INCOME	7,234,190	7,234,190			7,445,500			7,682,520			7,922,550
COUNCIL TAX LEVY		214.34			219.34			224.34			229.34
COUNCIL TAX BASE		33,751			33,945			34,245			34,545

Q4 Budget Monitoring 2019-20 (to March 2020)
Capital Programme 2019-20

APPENDIX 2a

CAPITAL PROJECT DESCRIPTION	2019-20 Budget (Full Year) £	YTD Actual Expenditure (Net Income) £	Projected Variation vs Budget £	Slippage to 2020- 21 £	Explanation
<u>RESOURCES</u>					
ICT Strategy	666,110	561,200	Cr 104,910	104,910	2019-20 projects complete. Small balance to slip to 20-21.
TOTAL RESOURCES	666,110	561,200	Cr 104,910	104,910	
<u>COMMUNITY WELL-BEING AND ENVIRONMENT</u>					
Parking Facilities: Improvements to Car Parks	74,530	0	Cr 74,530	74,530	Scheme being developed. Slipped to 20-21.
Green Street Depot Investment	2,446,750	2,322,100	Cr 124,650	124,650	Practical completion achieved. Balance held for retention & final works in 20-21.
Bewdley Medical Centre	14,160	14,160	0	0	Scheme complete.
Commercial Activity Capital Funding	195,390	0	Cr 195,390	195,390	Future spending dependent upon board approval. Slipped to 20-21.
TOTAL COMMUNITY WELL BEING & ENVIRONMENT	2,730,830	2,336,260	Cr 394,570	394,570	
<u>ECONOMIC PROSPERITY AND PLACE</u>					
Disabled Facilities Grants	1,500,000	1,364,710	Cr 135,290	135,290	Majority of planned 2019-20 expenditure complete. Balance to slip to 20-21.
Private Sector Measures	80,000	18,790	Cr 61,210	61,210	Scheme ongoing so balance slipped to 20-21.
Property Conversion, Stourport	60,000	0	Cr 60,000	0	Scheme no longer progressing.
Planning Delivery Grant Capital Projects	2,750	0	Cr 2,750	0	Scheme complete.
Flood Relief	10,000	0	Cr 10,000	10,000	Awaiting decision from Severn Trent for scheme in Stourport-on-Severn. Balance slipped to 20-21.
Regeneration and Economic Development	106,520	0	Cr 106,520	106,520	Retentions outstanding.
Worcester Street Improvement Grant	450,000	375,000	Cr 75,000	0	Scheme complete.
North Worcs Water Management Capital Projects-Redditch	18,870	0	Cr 18,870	0	Scheme complete.
Future Investment Evergreen Fund	94,740	0	Cr 94,740	94,740	Balance slipped to 20-21 for schemes as they are developed..
New Street Conversion	3,430	900	Cr 2,530	2,530	Awaiting prices for stairwell replacement. Slipped to 20-21.
Works to former Crown House site	25,000	0	Cr 25,000	25,000	Works to commence in 20-21.
Industrial Units Development - Silverwoods	220,000	0	Cr 220,000	220,000	Scheme being progressed. Slipped to 20-21.
Industrial Units Development - Silverwoods (former Frenco site)	633,160	339,910	Cr 293,250	293,250	Scheme progressing & anticipated to complete in 20-21.
Churchfields Development (Grant Funded)	2,700,000	0	Cr 2,700,000	2,700,000	Scheme slipped to 20-21.
Capital Portfolio Fund	14,695,110	7,019,490	Cr 7,675,620	7,675,620	Food & beverage premises and an industrial unit in Kidderminster purchases complete. Further schemes being progressed. Work continues evaluating potential acquisitions as opportunities are presented.
Development Loans Fund	10,000,000	0	Cr 10,000,000	10,000,000	Scheme being developed. Slipped to 20-21.
TOTAL ECONOMIC PROSPERITY & PLACE	30,599,580	9,118,800	Cr 21,480,780	21,324,160	
<u>VEHICLE, EQUIPMENT AND SYSTEMS RENEWALS</u>					
Vehicle & Equipment Renewals (Capital Programme)	1,395,000	1,183,760	Cr 211,240	121,280	See separate Vehicle, Equipment and Systems Renewals schedule.
Financial Management System Replacement	69,500	0	Cr 69,500	69,500	See separate Vehicle, Equipment and Systems Renewals schedule.
TOTAL ECONOMIC PROSPERITY & PLACE	1,464,500	1,183,760	Cr 280,740	190,780	
TOTAL	35,461,020	13,200,020	Cr 22,261,000	22,014,420	

Q4 Budget Monitoring 2019-20 (to March 2020)
Vehicle, Equipment and Systems Renewals 2019-20

APPENDIX 2b

VEHICLE AND EQUIPMENT RENEWALS	Revised Capital Programme 2019-20	Q4 Expenditure 2019-20	Slippage to 2019-20	Old fleet number to be replaced	Comments
(Based upon Revised Capital Budgets)	£	£	£		
1. VEHICLES					
EMS & BIN LIFTS	13,500	1,200	0	N/A	Complete (see 3 freighters below)
GARAGE EQUIPMENT	40,000	8,720	31,280	N/A	Lifting gear complete. Balance to slip to 20-21.
REFURBISHMENT FUND	30,000	0	30,000	N/A	Contingency fund. Slipped to 20-21 as not required in 19-20.
TIPPER 3500kg	30,000	24,330	0	AV177	Complete.
TIPPER 3500kg	30,000	24,330	0	AV193	Complete.
TIPPER 3500kg	30,000	24,330	0	AV064	Complete.
TIPPER 3500kg	30,000	24,330	0	AV200	Complete.
TIPPER 3500kg	30,000	24,330	0	AV201	Complete.
TIPPER 3500kg	30,000	24,330	0	AV202	Complete.
TIPPER 3500kg	30,000	22,930	0	AV214	Complete.
TIPPER 3500kg	30,000	22,930	0	AV216	Complete.
MEDIUM REFUSE FREIGHTER 12000kg RCV	100,000	106,460	0	AV211	Complete.
RIDE ON MOWER	25,000	22,200	0	AV226	Complete.
4x4	30,000	24,620	0	AV252	Complete.
TIPPER 3500kg	30,000	26,680	0	AV220	Complete.
TIPPER 3500kg	30,000	0	30,000	AV063	Slipped to 20-21
TIPPER 3500kg	30,000	26,680	0	AV221	Complete.
TIPPER 3500kg	30,000	26,680	0	AV222	Complete.
TIPPER 3500kg	30,000	0	30,000	AV223	Slipped to 20-21
RIDE ON MOWER	32,000	22,200	0	AV212	Complete.
TIPPER 7000kg	48,000	44,070	0	AV181	Complete.
REFUSE FREIGHTER 24000kg	170,500	170,500	0	AV245	Complete.
REFUSE FREIGHTER 26000kg	170,500	170,500	0	AV246	Complete.
REFUSE FREIGHTER 26000kg	170,500	170,500	0	AV083	Complete.
REFUSE FREIGHTER 26000kg	175,000	170,910	0	AV084	Complete.
2. OTHER					
Financial Management System Replacement	69,500	0	69,500	N/A	Slipped to 20-21
Total	1,464,500	1,183,760	190,780		

Q1 Budget Monitoring 2020-21 (to June 2020)

APPENDIX 3a

Capital Programme 2020-21

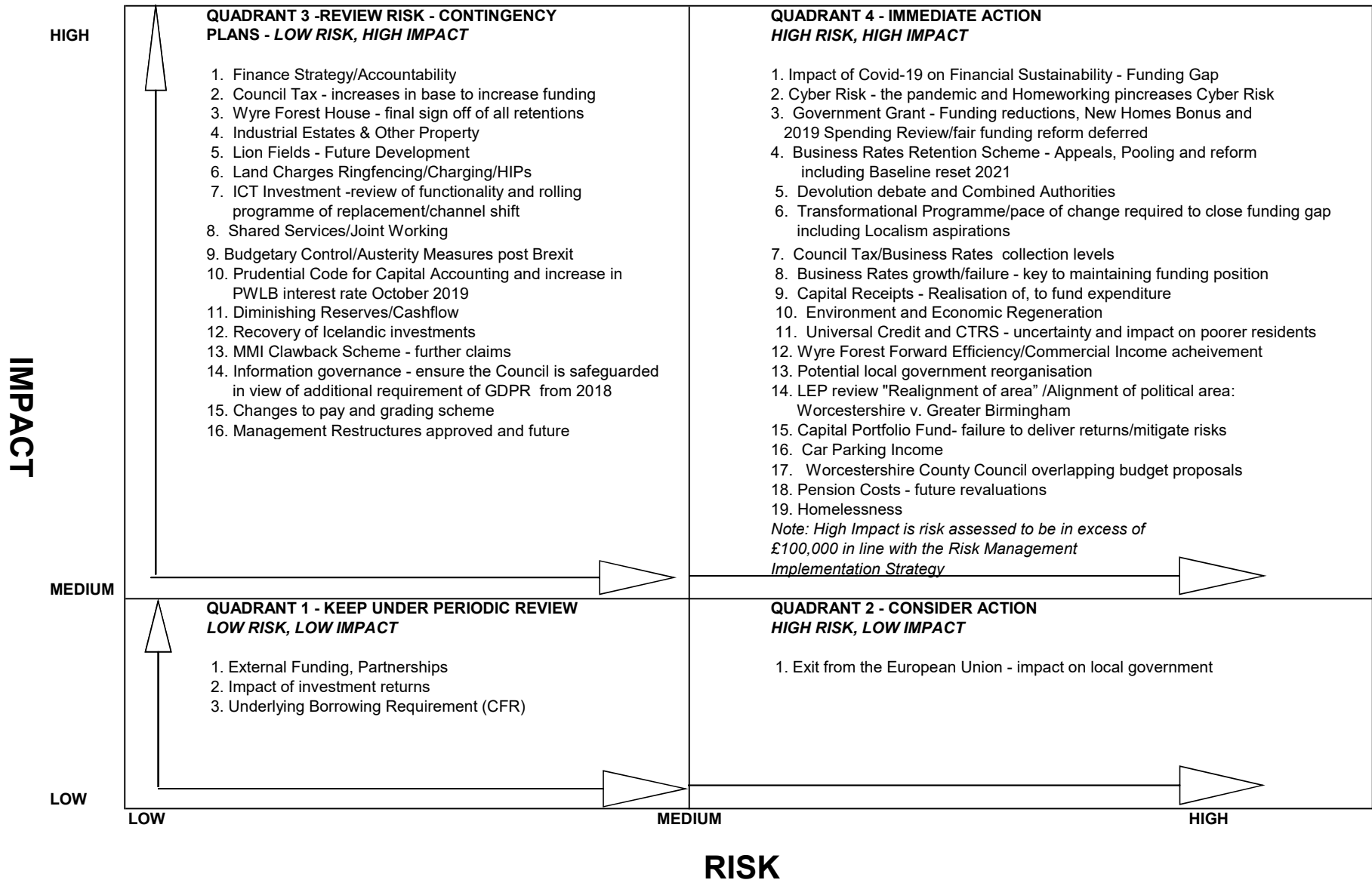
CAPITAL PROJECT DESCRIPTION	2019-20 Slippage carried forward £	2020-21 Original Budget £	2020-21 Adjusted Budget £	YTD Actual Expenditure (Net Income) £	Anticipated Expenditure £	Anticipated Slippage £	Explanation
CHIEF EXECUTIVE							
New Headquarters - Office Accommodation	0	413,610	413,610	0	0	413,610	The account with the Wyre Forest House construction contractor continues to remain outstanding because of a number of unresolved issues.
TOTAL CHIEF EXECUTIVE	0	413,610	413,610	0	0	413,610	
RESOURCES							
ICT Strategy	104,910	363,000	467,910	9,542	467,910	0	Equipment and infrastructure upgrades due to be completed.
TOTAL RESOURCES	104,910	363,000	467,910	9,542	467,910	0	
COMMUNITY WELL-BEING AND ENVIRONMENT							
Parking Facilities: Improvements to Car Parks	74,530	0	74,530	0	74,530	0	Scheme being developed.
Green Street Depot Investment	124,650	49,300	173,950	0	173,950	0	Practical completion achieved. Balance held for retention & final works in 20-21.
Depot Block E Works	0	85,000	85,000	0	85,000	0	Scheme being progressed.
Stourport Riverside	0	150,000	150,000	0	150,000	0	Scheme being progressed.
Briton Park HLF Capital Funding	0	2,600,000	2,600,000	0	2,600,000	0	Scheme being progressed.
Commercial Activity Capital Funding	195,390	0	195,390	0	195,390	0	Future spending dependent upon board approval.
TOTAL COMMUNITY WELL BEING & ENVIRONMENT	394,570	2,884,300	3,278,870	0	3,278,870	0	
ECONOMIC PROSPERITY AND PLACE							
Disabled Facilities Grants	135,290	1,490,830	1,626,120	254,176	1,626,120	0	Scheme progressing, expected to complete in 2020-21.
New Street Conversion	2,530	0	2,530	0	2,530	0	To complete in 2020-21.
Private Sector Measures	61,210	72,740	133,950	5,836	133,950	0	Scheme ongoing.
Flood Relief	10,000	18,410	28,410	0	28,410	0	Awaiting decision from Severn Trent for scheme in Stourport-on-Severn.
Regeneration and Economic Development	106,520	0	106,520	0	106,520	0	Retentions outstanding.
Carbon Management Plan	0	20,000	20,000	0	20,000	0	Spending subject to successful business case.
Future Investment Evergreen Fund	94,740	0	94,740	0	94,740	0	Schemes being developed.
Works to Former Crown House site	25,000	0	25,000	13,053	25,000	0	Scheme being progressed.
Industrial Units Development - Silverwoods	220,000	1,930,040	2,150,040	0	2,150,040	0	Scheme being progressed.
Industrial Units Frenco Development	293,250	0	293,250	0	293,250	0	Scheme being progressed.
Churchfields Development	2,700,000	0	2,700,000	0	2,700,000	0	Scheme being progressed.
Capital Portfolio Fund	7,675,620	1,500,000	9,175,620	0	9,175,620	0	Scheme being progressed.
Development Loans Fund	10,000,000	0	10,000,000	0	10,000,000	0	Scheme being progressed.
TOTAL ECONOMIC PROSPERITY & PLACE	21,324,160	5,032,020	26,356,180	273,065	26,356,180	0	
VEHICLE, EQUIPMENT AND SYSTEMS RENEWALS							
Vehicle & Equipment Renewals (Capital Programme)	121,280	760,000	881,280	26,417	881,280	0	See separate Vehicle, Equipment and Systems Renewals schedule.
Financial Management System Replacement	69,500	0	69,500	0	69,500	0	Anticipated to complete in 2020-21.
TOTAL ECONOMIC PROSPERITY & PLACE	190,780	760,000	950,780	26,417	950,780	0	
TOTAL	22,014,420	9,452,930	31,467,350	309,023	31,053,740	413,610	

Q1 Budget Monitoring 2020-21 (to June 2020)
Vehicle, Equipment and Systems Renewals 2020-21

APPENDIX 3b

Detail	Slippage from Capital Programme 2019-20 £	Original Capital Programme 2020-21 £	Amended Capital Programme 2020-21 £	Q1 Expenditure 2020-21 £	Projected Total 2020-21 Expenditure £	Slippage to 2021-22 £	Old Vehicle Fleet Number to be replaced	COST CENTRE	Comments
1. VEHICLES									
REFURBISHMENT FUND	30,000	-	30,000	-	30,000	-	N/A	N/A	Contingency budget
GARAGE EQUIPMENT	31,280	-	31,280	-	31,280	-	N/A	R229	For garage equipment replacement.
LIGHT VAN	-	30,000	30,000	-	30,000	-	AV218	R516	To complete in 2020-21.
LIGHT VAN	-	30,000	30,000	-	30,000	-	AV230	R200	To complete in 2020-21.
LIGHT VAN	-	30,000	30,000	-	30,000	-	AV229	R185	To complete in 2020-21.
MIDI TRACTOR	-	30,000	30,000	-	30,000	-	AV189	R236	To complete in 2020-21.
MOWING MACHINE	-	35,000	35,000	-	35,000	-	AV240	R236	To complete in 2020-21.
TIPPER 3500kg	-	35,000	35,000	-	35,000	-	AV255	R200	To complete in 2020-21.
TIPPER 3500kg	-	35,000	35,000	-	35,000	-	AV256	R200	To complete in 2020-21.
TIPPER 3500kg	30,000	-	30,000	26,417	26,420	-	AV063	R229	To complete in 2020-21.
TIPPER 3500kg	30,000	-	30,000	-	30,000	-	AV223	R200	To complete in 2020-21.
TRACTOR	-	40,000	40,000	-	40,000	-	AV070	R236	To complete in 2020-21.
PAVEMENT SWEEPER	-	80,000	80,000	-	80,000	-	AV258	R200	To complete in 2020-21.
REFUSE FREIGHTER 26000kg	-	175,000	175,000	-	175,000	-	NEW	R002	To complete in 2020-21.
ROAD SWEEPER 15000kg	-	140,000	140,000	-	140,000	-	AV184	R200	To complete in 2020-21.
SMALL REFUSE FREIGHTER 7500kg RCV	-	90,000	90,000	-	90,000	-	AV261	R002	To complete in 2020-21.
2. OTHER									
FINANCIAL MANAGEMENT SYSTEM REPLACEMENT	69,500	-	69,500	-	69,500	-	FMS001	R430	Timeframe to install new finance system dependant upon installation of new MS Office 365/Office 2017. Anticipated to complete in 19-20.
ZIP BOILERS REPLACEMENT (WYRE FOREST HOUSE)	-	10,000	10,000	-	10,000	-			To complete in 2020-21.
	190,780	760,000	950,780	26,417	947,200	-			

BUDGET RISK MATRIX 2020-23



Budget Risk Matrix

ISSUE	BUDGETARY RESPONSE
<p>Quadrant 1 - Low Risk, Low Impact</p> <p>1. External Funding, Partnerships</p> <p>2. Impact of Investment Returns</p> <p>3. Underlying Borrowing Requirement (CFR)</p>	<p>Keep under periodic review</p> <p>Continue to evaluate sustainability of each scheme as part of project appraisal.</p> <p>Continue to monitor reductions due to COVID-19 and report as appropriate. Balances available for investment are reducing over the MTFP but further rate reductions mean lower levels of investment income will be achieved. We continue to work with Link Asset Services in this area.</p> <p>The rising CFR over the term of the Budget Strategy will be carefully monitored in close liaison with Link Asset Services to gauge both the timing and type of external borrowing.</p>
<p>Quadrant 2 - High Risk, Low Impact</p> <p>1. Exit from the European Union</p>	<p>Consider Action</p> <p>To-date the impact has not been significant but this will be closely monitored.</p>
<p>Quadrant 3 - Low Risk, High Impact</p> <p>1. Finance Strategy/Accountability (see Q4 Risk 1 also)</p> <p>2. Council Tax – increase in base</p> <p>3. Wyre Forest House final sign off of all retentions</p> <p>4. Industrial Estates and Other Property</p> <p>5. Lion Fields Gateway - Future Development</p> <p>6. Land Charges Ring fencing/Charging/HIPs</p> <p>7. ICT Investment/channel shift</p> <p>8. Shared Services Joint working</p> <p>9. Budgetary Control/Austerity Measures</p> <p>10. Prudential Code for Capital Accounting and increase in PWLB Interest rate Oct 2019</p> <p>11. Diminishing Reserves/Cashflow</p>	<p>Review Risk - Contingency Plans</p> <p>Council are required to adopt a three year Balanced Budget Strategy.</p> <p>Assumption of increase of 300 pa may not be realised CD:R to monitor.</p> <p>Managed closely by Chief Executive and CLT/Cabinet</p> <p>Managed through Property Disposal Strategy</p> <p>Development opportunities continue to be explored.</p> <p>Reduced income allowed for within Base Budget reduces the scale of any challenge.</p> <p>ICT Strategy Group oversee/enhance the governance, planning and delivery arrangements of the strategy between ICT and council service areas.</p> <p>Shared Services partnerships continue to contribute to collaborative efficiencies but will be monitored to ensure risk is managed and mitigated.</p> <p>Continue to discourage non-essential expenditure, monthly budget monitoring reports provide more management information. Focus on income generation and innovative alternative service delivery models.</p> <p>External borrowing is £39m, PWLB rates increased with no notice by whole percent in early October 2019; Link Asset Services continue to provide technical advice and are looking for alternative sources of cheaper borrowing.</p> <p>Cash flow management will be tighter given reduction in capital and revenue reserves</p>

ISSUE	BUDGETARY RESPONSE
<p>12. Recovery of Icelandic investments</p> <p>13. MMI Claw Scheme</p> <p>14. Information Governance</p> <p>15. Change to Pay and Grading Scheme</p> <p>16. Management Restructures</p>	<p>and use of the Link Cash flow model is being used to improve management information to help mitigate any risk in this area</p> <p>Under £1m is outstanding and work will continue to achieve maximum recovery. Further claim received and settled, ear marked reserve held.</p> <p>Internal working group chaired by the DOR is reviewing this area to ensure the Council continues to be safeguarded.</p> <p>The impact of these proposals will be managed by Cabinet/CLT with particular regard to the impact on the overall funding envelope</p> <p>To be managed by the Chief Executive and Cabinet</p>
<p>Quadrant 4 - High Risk, High Impact</p> <p>1. Impact of Covid-19</p> <p>2. Cyber Risk</p> <p>3. Government Grant –Funding Changes, further Spending Reviews and New Homes Bonus</p> <p>4. Business Rates Retention Scheme, appeals, Pooling and revision of funding arrangements. Baseline reset (timing uncertain), impact on growth</p> <p>5. Devolution debate and Combined Authorities</p> <p>6. Impact of Transformational Programme, Localism agenda</p> <p>7. Council Tax Collection levels including impact of CTRS Scheme</p> <p>8. Government's Waste Strategy</p> <p>9. Capital Receipts - Realisation of to fund expenditure</p>	<p>Immediate Action</p> <p>Managed by Cabinet/CLT reports to Cabinet/Council as appropriate.</p> <p>Managed by ICT Strategy Board, treated as priority for resource allocation</p> <p>Significant issue given the scale of the Spending deficit. The Strategic Review Panel process will assist Wyre Forest Forward Coordinating Councils future Plans.</p> <p>Application for pan-Worcestershire Pool (including Fire Authority) agreed for 2020-21. Proposed changes to funding arrangements and delays continue to cause uncertainty and risk. The Baseline reset could also result in a decrease in this key funding stream. Our regeneration programme is a mitigation factor. Monitored closely by CLT/Cabinet</p> <p>Managed by CLT/Cabinet with reports to Group Leaders. Collaborative working with town and parish councils.</p> <p>The impact of the revised Local Scheme will be kept under review by the Corporate Director: Resources Revised CTRS scheme from April 2019 to align with Universal credit</p> <p>Assumptions in relation to decreased collection rates have been made in the Council Tax Base calculations as a result of the Local Council Tax Discount Scheme and these will be carefully managed and reported on. Impact of COVID-19 being monitored and reported.</p> <p>Impact will be monitored as more information emerges and reported as appropriate.</p> <p>Capital Programme funding reflects realistic timescale for the realisation of asset disposal receipts. Temporary borrowing will be used when necessary.</p>

ISSUE	BUDGETARY RESPONSE
10. Environment and Economic Regeneration	The Council continues to be proactive in this area and this is closely monitored by Cabinet/CLT
11. Changes to Housing Benefit Scheme – universal credit/localisation of support for Council Tax	Universal Credit impact monitored
12. Wyre Forest Forward Efficiency savings	Progress continues to be monitored and reported regularly to members.
13. Potential Local Government Reorganisation	Macroeconomic area strategically assessed and managed by the Leadership team.
14. Realignment of LEP area/political area	Kept under strategic review by the Leadership team in liaison with two LEPS. The three LEP footprint proposals are also within our radar.
15. Capital Portfolio Income	Key performance metrics included in quarterly Cabinet Budget Monitoring reports
16. Car parking income	Income levels usages closely monitored, new simplified policy is proposed. Earlier timetable for scrutiny.
17. WCC overlapping budget proposals – adverse impact	Liaison with WCC to work to minimise/mitigate the impact of any overlapping proposals to protect the financial position of both parties as far as possible.
18. Pension costs – future Revaluations	Managed by Worcestershire Treasurers jointly with actuaries
19. Homelessness Reduction Act	Rising demand requiring extra resource managed by housing team with extra funding secured where possible.

WYRE FOREST DISTRICT COUNCIL

CABINET
16th September 2020

Budget Monitoring First Quarter 2020-21

ANALYSIS OF OUTSTANDING DEBT

This appendix details the Council's income collection position at the end of Quarter 1 (30th June 2020)

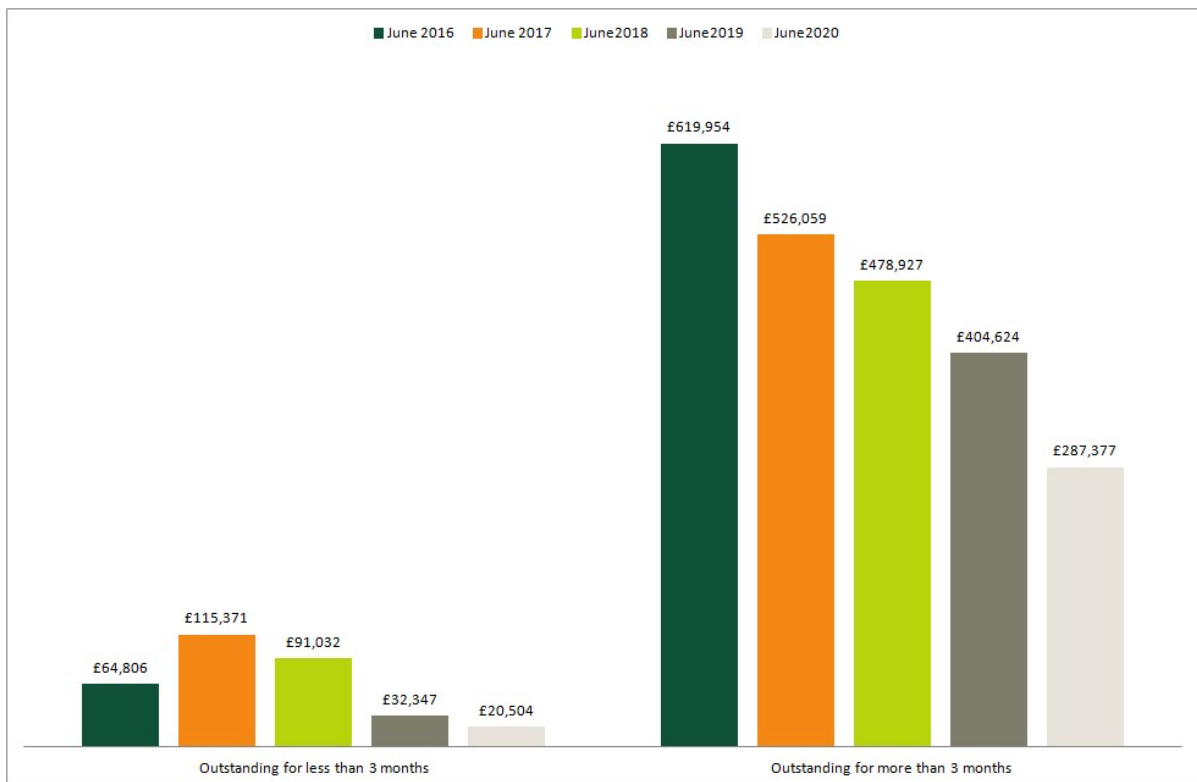
1.1. Housing Benefit Overpayment Recovery

Where customers have a change in their circumstances and we are later made aware of this, customers are expected to repay any Housing Benefit that has been overpaid.

A change in circumstances transfers the customer to Universal Credit and the overpayment is via a customer invoice. Customers who remain on Housing Benefit and have received an overpayment, have a deduction from their on-going benefit.

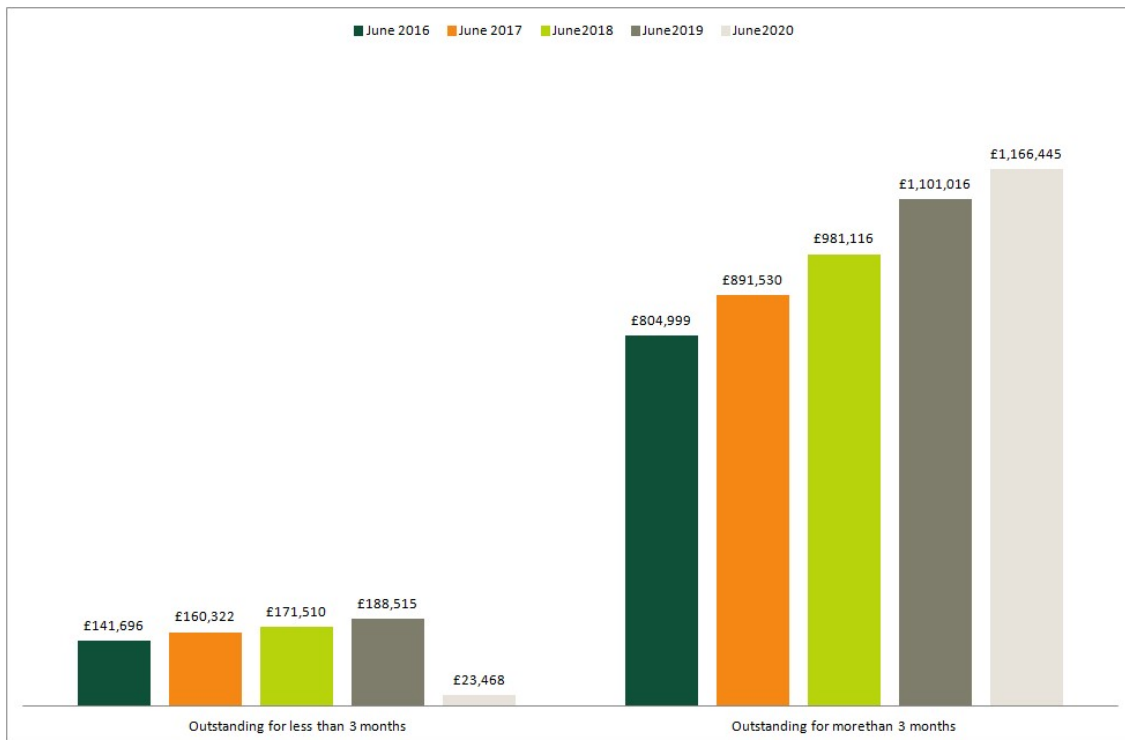
The position relating to Housing Benefit overpayment is shown in the next two graphs:

Recovery by On-going Benefit



Appendix 5 – Analysis of Outstanding Debt

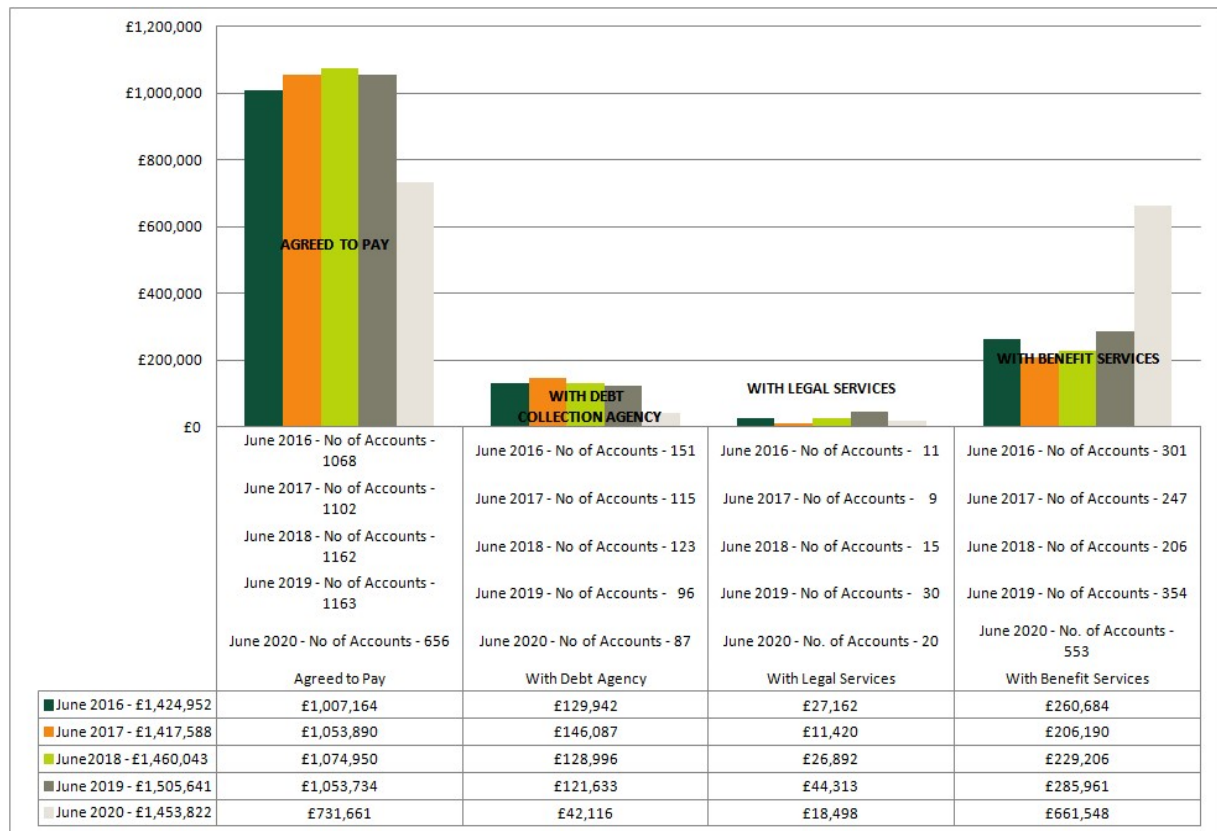
Recovery by Customer Invoice



Debts over three months old have either agreements in place to pay, have been referred to the Council's Legal Services, or remain with the Benefit Service to pursue. The Council employs the Debt Collection Agency Dukes. Debts are referred as a last resort. As at June 2020 debts of £3,410 have been recovered at a cost of £511. The number of accounts, the value outstanding and how this will be collected is shown in the following graph:

Appendix 5 – Analysis of Outstanding Debt

Value and Number of Housing Benefit Overpayments Accounts and Status



The total debt outstanding at 30th June is £1.498m which represents a 13% decrease over the balance outstanding at the end of Quarter 1 2019-20 (including debt within payment terms). The number of cases where there is an agreement to pay or our Benefit/Legal Services are dealing with the case, have decreased to 1,229 (1,547 in 2018-19) a reduction of 318 cases. Cases referred to an external debt collection agency have reduced to 87 (96 in 2018-19).

The introduction of Universal Credit in November 2018 has reduced the number of customers claiming Housing Benefit and the occurrence of overpayment and its collection via on-going benefit. Collection of overpayment via customer invoice has seen an increase in overdue debt. COVID-19 has had an impact on the collection of debt from customers on Universal Credit through the DWP and our own collection, as debt recovery was suspended at the beginning of the pandemic.

1.2. Sundry/ Property Debt

The total debt outstanding at 30th June (including debt within payment terms) was £1,178k (Sundry Debt £835k Property Debt £343k) which represents a 9.71% decrease over the balance outstanding at the end of Quarter 1 2019 of £1,305k (Sundry Debt £843k, Property Debt £462k).

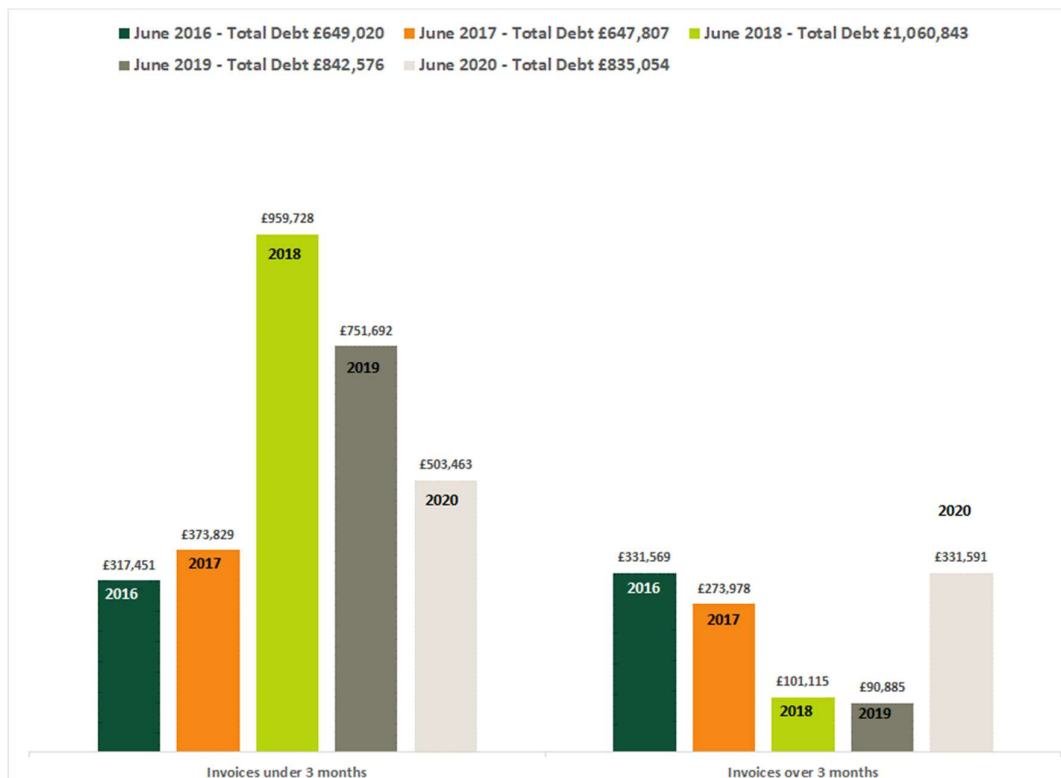
However, the COVID 19 pandemic has had an impact on Property and Sundry debt. The 2020-21 Quarter 1 overdue debt (more than 3 months old) has significantly increased (2018 £173k, 2019 £191k, 2020 £463K) although this is mainly due to a single outstanding invoice connected to the Leisure Centre closure and is being addressed as part of ongoing partnership working with the service provider.

Appendix 5 – Analysis of Outstanding Debt

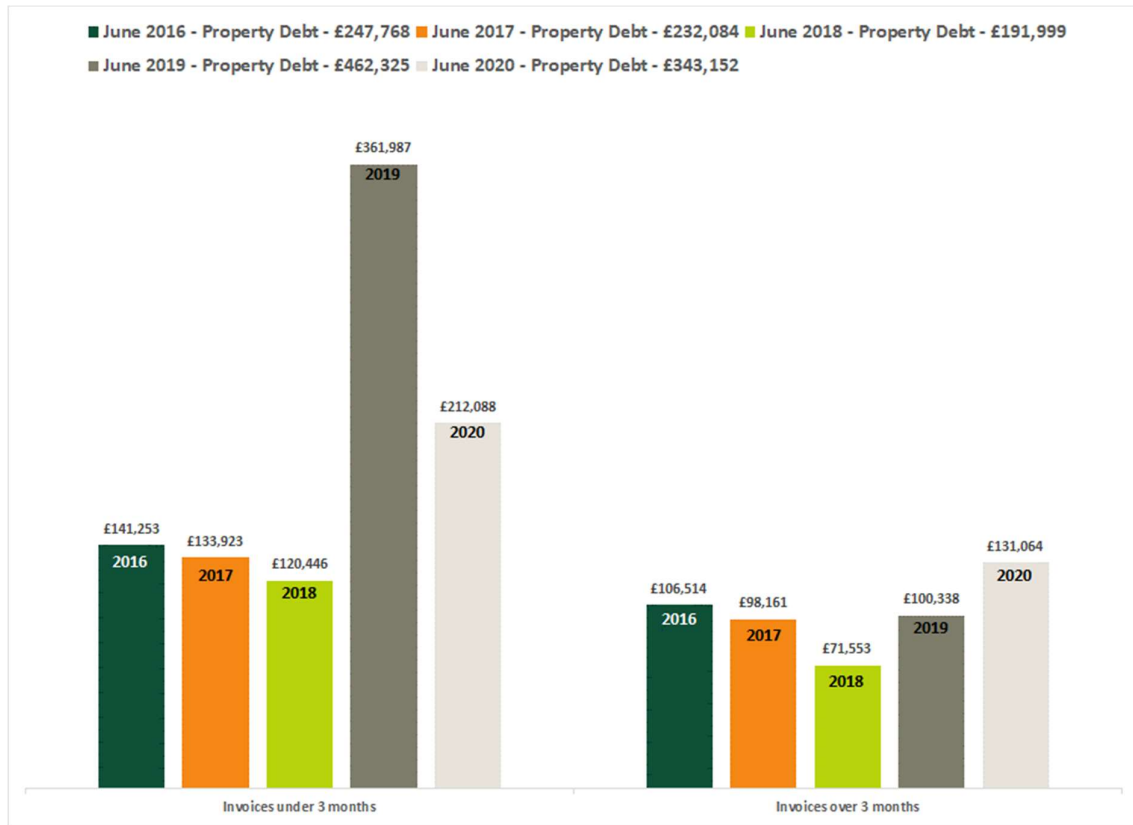
Invoices overdue (older than 3 months)	Quarter 1 2018 £	Quarter 1 2019 £	Quarter 1 2020 £	Movement £
Sundry Invoice	101,100	90,900	331,600	240,700
Property Invoices	71,600	100,300	131,100	30,800
Total Invoices	172,700	191,200	462,700	271,500

- 1.3. The overdue debts over 3 months old over the past 3 years had remain low due to the introduction of a revised approach to the management of accounts in arrears. The Council suspended the recovery of debt during the first 2 months of the pandemic. Payments received in April 2020 were almost 40% down on the same period in April 2019. Payments to the end of June 2020 had recovered slight to 9% above those received in June 2019.
- 1.4. The position relating to Sundry Debtor and Property Invoices are as follows:

Sundry Debtors



Property Invoices and Debt



- 1.5. The Council actively promotes digital methods of payment, with the aim of reducing transaction volumes for cash and cheque and reducing payment processing/handling costs.
- 1.6. The chart below illustrates the success achieved in switching customers to digital channels in past financial years. In the first quarter of 2020, COVID -19 has had an impact on all methods of payment, especially for cash and payments made directly at our offices.

Appendix 5 – Analysis of Outstanding Debt

First Quarter (Q1) transaction numbers 2016-17 to 2020-21

