

Strategic Debt Review 2016-17

Table 1 - 2016/17 Strategic Debt Review Data Summary - South Hams

Debt Stream	2013/14		2014/15		2015/16		2016/17	
	Value	% inc rease/ decrease	Value	% inc rease/ decrease	Value	% inc rease/ decrease	Value	% inc rease/ decrease
Sundry Debtors (monetary value) £	378,119	-	426,411	12.8%	465,761	9.2%	550,428	18.2%
Housing Benefit Overpayments (monetary value) £	1,112,151	-	1,269,962	14.2%	1,140,497	-10.2%	1,239,587	8.7%
Council Tax (collection rate) %	98.8	-	98.3	-0.5%	98.2	-0.1%	98.1	-0.1%
Business Rates (collection rate) %	98.6	-	98.6	0.0%	98.2	-0.4%	96.8	-1.4%

APPENDIX D

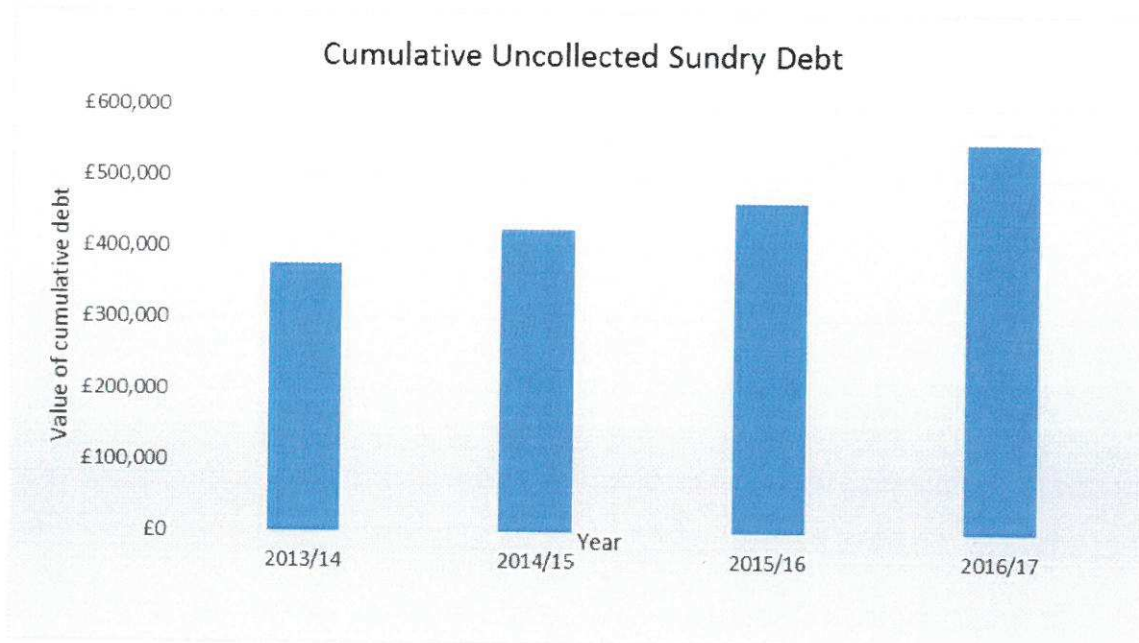
The following paragraphs provide a high level summary of the levels of each type of debt.

Sundry Debts

Table 2 shows the cumulative uncollected sundry debt for the Authority. The figures shown for each year end exclude any invoices less than thirty days old (recovery not commencing until this point), but do include a number of credits owed by the Council to debtors which, at 31 March 2017, totalled £25.8k.

It is to be noted that the Council issued a Section 106 invoice for £141,610 in October 2016. The debtor has disputed the invoice for several months, but has recently made an offer to clear the account. Although not yet collected, this invoice is not reflected in Table 1 above or the table below, so as not to distort year on year trends.

Table 2: Cumulative Uncollected Sundry Debt Values for SHDC at 8th June 2017

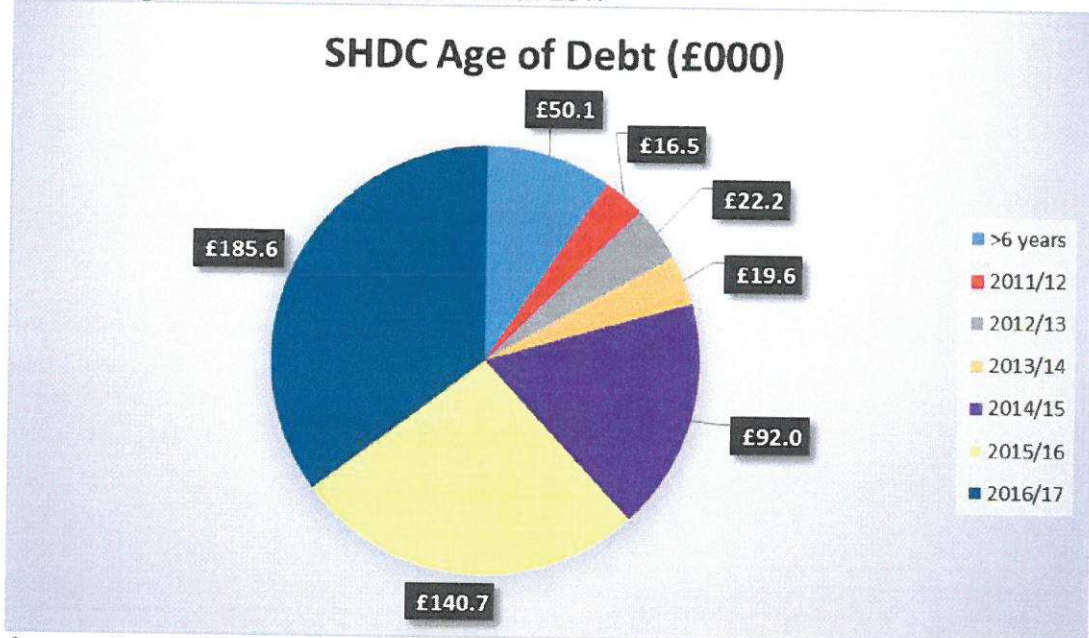


Source: Sundry Debtor System Reports

APPENDIX D

Table 3 shows the proportions of outstanding sundry debt aged between one and six years or more.

Table 3: Age of Debt Profile as at 31 March 2017

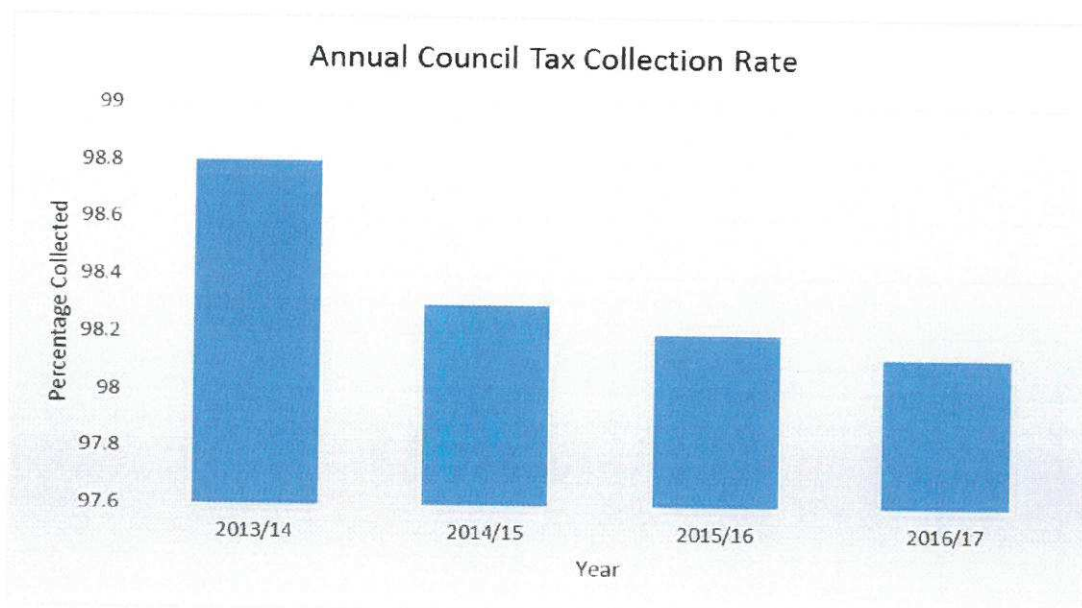


Source: Sundry Debtor System Reports

Council Tax

The Council Tax collection rate for the Authority is shown in Table 4. Recovery rates remain high and compare well to both the national and “shire” averages including other Devon authorities.

Table 4: South Hams Annual Council Tax Collection Rate



APPENDIX D

Source: Covalent performance indicator data

The collection rate has reduced by 0.05% compared to 2015/16.

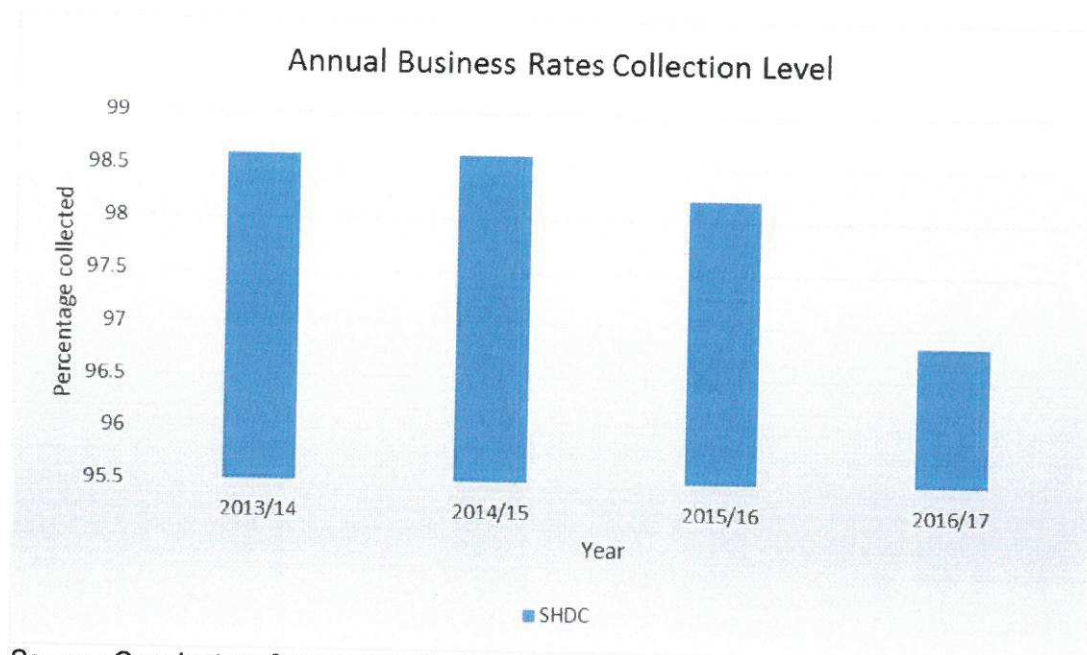
The slight reduction in collection rate is partly attributed to the fact that since 2015 a contribution to Council Tax is payable by those residents of working age who are in receipt of Council Tax Reduction and also there were delays in issuing the first bills of 2016/17 which will have had a knock on effect on instalment due dates.

Business Rates

Business Rates collection levels remain reasonable, as shown in Table 5, and generally compare well to both the national and "shire" averages including other Devon authorities.

Despite this, there is still a reduction of 1.35% for the Council compared to the previous year's collection rate. This is attributed to several causes. a mid-year national revaluation of medical centres leading to a number of over-payments and a few large companies paid their rates later than expected which, in itself, had a 0.7% adverse impact on the collection rate.

Table 5: SHDC Annual Business Rates Collection Levels

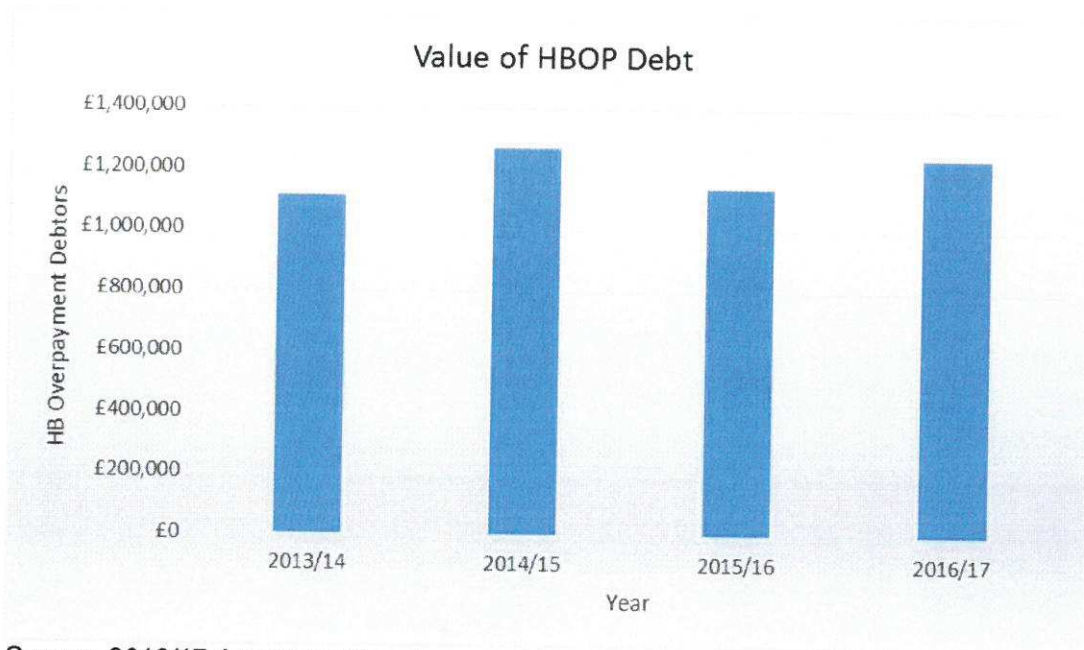


Source: Covalent performance indicator data

Housing Benefit Overpayments (HBOP)

Table 6 shows levels of HBOP debt since 2013/14. We understand that recent HBOP debt levels may have increased partly due to the use of RTI (Real Time Information). This has identified unreported changes of circumstances which have resulted in overpayments.

Table 6: South Hams Housing Benefit Overpayments (HBOP)



Source: 2016/17 Accounts Closedown working papers