



Northumberland

County Council

Corporate Services and Economic Growth Overview and Scrutiny Committee

26 February 2024

Debt Recovery Update

Report of Jan Willis, Executive Director – Transformation and Resources

Cabinet Member: Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Purpose of report

The purpose of this report is to provide the Corporate Services and Economic Growth Overview and Scrutiny Committee with information relating to the level of outstanding debt owed to the Council so that the Committee may satisfy itself as to the efficiency and effectiveness of its collection and recovery policies and systems.

Recommendations

It is recommended that the contents of the report are noted.

Link to Corporate Plan

Effective income management processes are critical to the delivery of overall Council service objectives. A more efficient income management process contributes to the availability of resources for wider or deeper service provision.

Key issues

The management of income is a key business area for Northumberland County Council. The Council collects income from many sources; some of this activity is governed by legislation while other areas by sound principles of financial management. The key to economic, efficient and effective income management is the creation and maintenance of a clear framework that sets out the approach, principles, ownership and strategy within which all activities will be conducted.

It is essential that income is collected effectively by the Council, and that debt owed to the Council is kept to a minimum. This is because the Council has both a legal duty and a responsibility to its citizens to ensure that income due is paid promptly to ensure it can minimise the burden of unpaid debt and enhance service delivery.

The management of all monies owed to the Council is detailed in the Corporate Debt Recovery Policy and includes the following:

- Council Tax and NNDR Recovery Policy
- Council Tax and NNDR Court Costs and Fees Policy
- Housing and Council Tax Benefit/Support Overpayments Policy
- Methods of Payment Policy
- Write Off Policy
- Sundry Debt Policy
- Overpaid Salaries and Wages Policy
- Bankruptcy Policy
- Enforcement Agent Code of Practice for Council Tax and NNDR
- Housing Income Management Policy

Background

The report would usually show the position as at 30 September of each financial year but has been updated to show more up to date data as at 30 December where that data is available.

Write Offs

1. An integral part of debt recovery is the effective management of irrecoverable debts to ensure that resources are applied effectively to the collection of monies outstanding which can reasonably be expected to be collected.
2. The total debt written off in the last four financial years is shown below:

	2019-20	*2020-21	2021-22	2022-23
Sundry debt	£266,343.83	£47,567.52	£1,087.21	£12,737.68
Council Tax	£158,220.13	£161,032.28	£139,803.47	£166,484.25
Business Rates	£1,057,697.40	£94,466.86	£44,689.99	£20,658.96
Benefit Overpayments	£103,005.65	£56,417.16	£111,908.65	£216,272.93
Housing Rent & Other Debt	£507,807.23	£434,020.33	£786,935.77	£527,573.22
Adult Social Care	£5,369.31	£0.00	£64,244.66	£115,290.35
Total	£2,098,443.55	£793,504.15	£1,148,669.75	£1,017,699.47

Notes:

*The reduction in volume and value of write offs in 2020-21 is due to staff resources being redirected to the Coronavirus response.

3. The following amounts have been written off during the 2023-24 financial year in accordance with the Council's write-off policy. The figures are as at 31 December 2023 except where shown:

	2023-24
Sundry debt	£181,035.27
Council Tax	£158,496.78
Non-Domestic Rates	£0.00
Benefit Overpayments (as at 30 September 2023)	£18,040.11
Housing Rent & Other Debt (as at 30 September 2023)	£164,472.29
Adult Social Care	£15,734.54
Total	£537,778.99

Sundry Debt

4. At 31 December 2023 the Council was owed £52,593,910 by its sundry debtors. The debt, analysed by its maturity, is shown below (with 30 September 2022 figures shown for comparison):

Age of debt	30 September 2022		31 December 2023	
	Number of Invoices	Balance Due £'000	Number of Invoices	Balance Due £'000
Up to 3 months past due	2,159	7,804	1,360	16,948
3 to 6 months past due	634	2,884	782	4,133
6 to 9 months past due	485	595	806	9,586
9 to 12 months past due	512	535	617	1,022
1 to 5 years past due	3,778	4,099	4,696	6,246
Over 5 years past due	342	550	505	673
Debt past due date	7,910	16,467	8,766	38,608
Debt within terms	4,151	7,069	4,006	13,986
Total debt	12,061	23,536	12,772	52,594

5. Twenty three customers have past due balances of over £0.100 million at 31 December 2023, up from eleven as at 31 March 2023. Details are shown below with 31 March 2023 figures for comparison. The total of £28.742 million past due represents 74.4% of the total debt past due as at 31 December 2023.

Customer	31 March 2023		31 December 2023	
	Number of Invoices	Value Past Due £'000	Number of Invoices	Value Past Due £'000
NHS Customer 2 (see note 1)	1	1,331	1	774
NHS Customer 4 (see note 2)	29	806	30	689
NHS Customer 7 (see note 3)	4	207	16	8,199
Customer 1 (see note 4)	12	120	12	120
Customer 4 (see note 5)	-	-	1	141
Company 3 (see note 6)	-	-	11	7,016

Company 6 (see note 7)	-	-	5	195
Company 12 (see note 8)	1	300	1	300
Company 14 (see note 9)	2	164	6	950
Company 15 (see note 10)	-	-	4	163
Company 17 (see note 11)	-	-	1	397
Company 19 (see note 12)	11	187	16	306
Company 21 (see note 13)	-	-	3	4,022
Company 23 (see note 14)	-	-	2	165
Education 3 (see note 15)	-	-	4	121
Education 4 (see note 16)	-	-	10	3,169
Education 6 (see note 17)	-	-	7	336
Education 7	2	865	-	-
Education 8 (see note 18)	43	125	41	128
Education 9 (see note 19)	-	-	1	975
Education 10 (see note 20)	-	-	3	109
Council 2 (see note 21)	15	101	23	105
Council 12	11	154	-	-
Council 13 (see note 22)	-	-	8	233
Council 14 (see note 23)	-	-	7	129
Total	131	4,360	213	28,742

Notes:

1. Invoice still outstanding and being pursued.
2. 1 invoice has been paid. 29 invoices totalling £593,640 remain outstanding and being pursued.
3. Invoices still outstanding and being pursued.
4. Customer 1 Part payment received from proceeds of sale of property, a significant shortfall was anticipated. Legal Services are considering options for recovery.
5. Invoice still outstanding and being pursued.
6. Invoices still outstanding and being pursued.
7. 4 invoices have now been paid. 1 invoices totalling £24,983 remains outstanding and is being pursued.
8. Invoice still outstanding and being pursued.
9. 1 invoice has now been paid. 5 invoices totalling £167,913 remain outstanding and are being pursued.
10. 1 invoice has now been paid. 3 invoices totalling £149,635 remain outstanding and are being pursued.
11. Invoice now paid.
12. Invoices still outstanding and being pursued.
13. 1 invoice has now been paid. 2 invoices totalling £3,279,686 remain outstanding and are being pursued.
14. Invoices now paid.

15. 1 invoice has now been paid. 3 invoices totalling £17,870 remain outstanding and are being pursued.
 16. Following payment reallocations, 18 invoices remain outstanding but the balance has reduced to £643,975.
 17. Invoices now paid.
 18. Invoices still outstanding and being pursued.
 19. Invoice now paid.
 20. 1 invoice has now been paid. 2 invoices totalling £73,592 remain outstanding and are being pursued.
 21. Invoices still outstanding and being pursued.
 22. 1 invoice has now been paid. 7 invoices totalling £189,640 remain outstanding and are being pursued.
 23. 2 invoices have now been paid. 5 invoices totalling £93,698 remain outstanding and are being pursued.
6. Analysis of the level of overdue debt as at 31 December 2023 by the service area raising the invoices is shown below (with 30 September 2022 figures for comparison):

Service Area	30 September 2022		31 December 2023	
	Number of Invoices	Value Past Due £'000	Number of Invoices	Value Past Due £'000
Adult Services (see note 1)	3,963	5,317	5,703	13,894
Children's Social Care	194	707	168	1,947
Corporate Resources (Finance)	770	3,970	787	13,765
Corporate Resources (IT)	27	41	43	28
Corporate Resources (Legal and Health & Safety)	26	38	26	31
Culture, Heritage & Libraries	13	23	11	29
Fire & Rescue	30	46	14	73
Housing	13	83	10	74
Housing Services	5	5	7	22
Local Services (including Projects) (see note 2)	2,316	1,960	2,150	1,783
Property & Estate Management	115	452	137	501
Pension Fund	0	0	0	0
Public Health/Protection	316	222	300	323
Regeneration & Dev Man	32	3,404	51	5,978
Schools	90	199	117	160
Total	7,910	16,467	9,524	38,608

(see note 2)

Notes:

1. Adult Social Care have seen an increase in the number of customers receiving care. Due to Covid-19 there continue to be delays in probate being granted for deceased customers, and there continues to be delays in getting Court Appointed Deputies and Lasting Power of Attorneys put in place resulting in monies due pending Court decisions. There are also payment delays whilst properties remain unsold where Deferred Payment Agreements are in place. The Adult Social Care Team have reported a general increase in the number of people saying they cannot afford their care due to the cost of living and several customers are making partial payments because that is all they can afford. There have been vacancies turnover within the Adult Social Care Team which have only recently been filled.
2. The number of invoices includes instalments where one or more instalment may remain outstanding.
7. CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20.

Council Tax

8. Council Tax is charged on domestic dwellings in the County. As at 31 December 2023 there were 160,629 domestic dwellings in Northumberland, with a net collectable debit of £250.275 million for 2023-24.
9. Each financial year there will be an amount of Council Tax that is not paid and that amount is added to the arrears that were carried forward at the start of the financial year (less the amount collected during the year) to give a total arrears figure outstanding. At 31 March 2022 £18.471 million was outstanding in total (£6.883 million relating to the 2022-23 financial year).
10. A comparison with previous years is shown below:

	2019-20	2020-21	2021-22	2022-23
	£'000	£'000	£'000	£'000
Arrears at 31 March	11,632	14,824	15,912	18,471
Arrears at 31 March relating to the last billed year	5,376	6,489	6,174	6,883

11. In-year collection rates (this does not include arrears) for the past four years are shown below, with collection rates for customers in receipt of Council Tax Support shown for comparison:

	2019-20 %	2020-21 %	2021-22 %	2022-23 %
Overall Collection Rate	97.6	97.0	97.4	97.3
Council Tax Support Collection Rate	82.6	83.6	84.8	84.0

12. Benchmarking performance:

- The in-year collection rate for 2022-23 was again the highest of the 11 North East Councils.
- The in-year collection rate for 2022-23 was, however, well above the 96.8% national average for all local authorities in England and above the 97.1% national average for all Unitary authorities in England.

13. The in-year collection rate at 31 December 2023 is shown below together with the in-year collection rate as at 30 September (the reporting date) for previous years with collection rates for customers in receipt of Council Tax Support shown for comparison.

	30.9.20	30.9.21	30.9.22	31.12.23
	%	%	%	%
Overall Collection Rate	55.2	55.6	55.1%	81.5%
Council Tax Support Collection Rate	46.3	46.6	46.8%	63.4%

14. The overall in-year collection rate at 31 December 2023 was 81.5% and 0.5% down on the in-year collection rate as at 31 December 2022.

15. Benchmarking performance:

- The quarter 3 performance comparison with the other North East Councils is not yet available. The quarter 2 performance comparison shows the in-year collection rate for quarter 2 as at 30 September 2023 was the 2nd highest of 11 of the North East Councils.
- CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20.

16. During the previous four financial years the Council issued the following recovery notices:

	*2019-20	**2020-21	2021-22	2022-23
1st or 2nd Reminders	47,211	7,773	32,028	34,448
Final Notices	3,051	0	1,114	1,806
Summonses	15,861	3,998	12,782	10,843
Liability Orders	11,815	3,231	8,920	7,978

Notes:

1. *Recovery notices increased in 2019-20 due to customers affected by the 8% reduction in Council Tax Support falling into arrears.
2. **Due to Covid-19, statutory reminders were only issued from September to December 2020 and there was only one cycle of summonses and court hearings in 2020-21.

17. Between 1 April 2023 and 31 December 2023 the Council has issued:

- 14,299 Statutory 1st Reminders

- 2,531 2nd Reminders
- 1,559 Final Notices
- 8,039 Summonses
- 6,239 Liability Orders

18. A breakdown of some of the enforcement methods that are used, and the number of cases currently subjected to that type of action is as follows:

	Number of cases	Outstanding Amount £'000
Attachment of benefit (see note 1 below)	2,745	1,027
Attachment of earnings	898	617
Enforcement Agent (Formerly Bailiff)	6,120	5,678
Committal (see notes 2 & 3 below)	0	0
Bankruptcy/Statutory Demand (see note 3 below)	3	32
Charging Orders (see note 3 below)	17	94

Notes:

1. Includes 2,466 Attachment of Benefit from Universal Credit.
2. No Council Tax defaulters have been sent to prison since March 2017.
3. These cases can comprise one or multiple Liability Orders.

19. During the previous four financial years the following number of cases were subject to enforcement action:

	Number of cases 2019-20	Number of cases 2020-21	Number of cases 2021-22	Number of cases 2022-23
Attachment of benefit	4,500	2,176	2,296	1,483
Attachment of earnings	3,133	1,046	2,319	1,342
Enforcement Agent	4,802	1,243	5,998	3,725
Committal (see note 1)	0	0	0	0
Statutory Demands (see note 1)	10	0	0	0
Bankruptcy Petitions (see note 1)	2	0	0	0
Bankruptcy Orders (see note 1)	2	0	0	0
Interim Charging Orders (see note 1)	7	0	0	0
Final Charging Orders (see note 1)	7	0	0	0

Notes:

1. These cases can comprise one or multiple Liability Orders.

Non-Domestic Rates (Business Rates)

20. Non-Domestic Rates are charged on business properties in the County. As at 31 December 2023 there were 14,374 business properties in Northumberland, with a total rateable value of £259.997 million, and with a net collectable debit of £83.389 million for 2023-24.

21. Each financial year there will be an amount of Non-Domestic Rates that is not paid and that amount is added to the arrears that were carried forward at the start of the financial year (less the amount collected during the year) to give a total arrears figure outstanding. At 31 March 2023 £8.746 million was outstanding in total (£4.223 million relating to the 2022-23 financial year).

22. A comparison with previous years is shown below:

	2019-20	2020-21	2021-22	2022-23
	£'000	£'000	£'000	£'000
Arrears at 31 March	3,648	6,577	7,211	8,746
Arrears at 31 March relating to the last billed year	1,930	3,250	3,172	4,223

23. In-year collection rates (this does not include arrears) for the past four years are shown below:

	2019-20	2020-21	2021-22	2022-23
	%	%	%	%
Overall Collection Rate	97.7	93.3	95.7	95.1

24. Benchmarking performance:

- This performance is below the average compared to the other 11 North East Councils (97.3%).
- This performance is below the average compared to all local authorities in England (96.8%) and below the average of all Unitary authorities in England (97.1%).
- CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20.

25. The in-year collection rate at 31 December 2023 is shown below together with the in-year collection rate as at 30 September (the reporting date) for previous years.

	30.9.20	30.9.21	30.9.22	30.12.23
	%	%	%	%
Overall Collection Rate	56.6	50.00	53.8	78.7

26. The in-year collection rate at 30 September 2021 was 50.0% and was below performance for prior years due to the impact of Covid-19.

27. Benchmarking performance:

- The quarter 3 performance comparison with the other North East Councils is not yet available. Quarter 2 performance comparison with the North East

Councils at 30 September 2023 shows that the in-year collection rate as at 30 September 2023 was the eighth lowest of 11 of the North East Councils. By comparison, the performance was the lowest of 11 of the North East Councils as at 30 September 2022. This is due in part to a backlog in processing Valuation Office Agency schedules and an issue with posting NCC payments.

28. During the previous four financial years the Council issued the following recovery notices:

	2019-20	*2020-21	2021-22	2022-23
Reminders	2,987	472	5,410	3,268
Summonses	780	0	1,166	1,089
Liability Orders	411	0	558	646

Notes:

- *Due to Covid-19, other than statutory reminders in October, November and December 2020, no other formal recovery notices were issued for business rates arrears in 2020-21.

29. Between 1 April 2023 and 31 December 2023 the Council has issued:

- 2,652 Reminders
- 944 Summonses
- 548 Liability Orders

30. A breakdown of some of the enforcement methods that are used, and the number of cases currently subjected to that type of action is as follows:

	Number of cases	Outstanding Amount £'000
Enforcement Agent	119	356
Committal (see notes 1 & 2 below)	0	0
Bankruptcy/Statutory Demand (see note 2 below)	0	0

Notes:

- No ratepayers have been sent to prison since 2010.
- These cases can comprise one or multiple Liability Orders.

31. During the previous four financial years the following number of cases were subject to enforcement action:

	Number of cases 2019-20	Number of cases 2020-21	Number of cases 2021-22	Number of cases 2022-23
Enforcement Agent	270	14	24	465
Committal (see note 1)	0	0	0	0
Statutory Demands (see note 1)	3	0	0	0
Bankruptcy Petitions (see note 1)	2	0	0	0

Bankruptcy Orders (see note 1)	1	0	0	0
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Notes:

1. These cases can comprise one or multiple Liability Orders.

Housing Benefit Overpayments

32. Housing benefit overpayments are payments of benefit to which there was no entitlement. Reasons for overpayment are mainly changes in financial circumstances (automatic tax credit uploads; differences between new claims and details held on system e.g. finances, capital held, family members and the detection of fraud), claimants vacating their properties with little or no notice or claimants passing away. The Council has an Overpayment Policy which details overpayment collection.
33. Council Tax Benefit and Council Tax Support overpayments are collected through the Council Tax account and any non-payment is subject to the debt recovery methods described above.
34. The Council receives subsidy of up to 40% for most of its housing benefit overpayments and any additional money collected is kept by the Council. In 2022-23 overpayments of £1.087 million were identified with £0.705 million recovered in year (64.9%). This compares with 63.34% being recovered in year in 2021-22, 66.3% 2020-21 and 54.1% in 2019-20. A further £0.693 million was collected in respect of overpayments identified prior to 1 April 2022.
35. A total of £1.399 million was recovered in 2022-23 compared to £1.446 million in 2021-22, £1.616 million in 2020-21 and £2.394 million in 2019-20. The drop in recovery can be attributed to the movement of Housing Benefit claimants to Universal Credit, thus removing our opportunity to recover from future payments of Housing Benefit, and fewer overpayments being created. In addition, no proactive recovery action was undertaken in 2020-21 as result of the Covid-19 pandemic. Cash collected in 2022-23 amounted to £0.600 million compared to £0.505 million in 2021-22, £0.436 million in 2020-21 and £0.845 million in 2019-20.
36. As at 30 September 2023 a further £0.537 million overpayments have been identified, of which £0.337 million has been recovered (63%). A further £0.317 million has also been recovered in respect of overpayments identified prior to 1 April 2023.
37. A total of £0.654 million has been recovered so far this financial year. This compares to £0.718 million recovered in the same period in 2022-23.
38. There is currently £3.227 million outstanding in respect of housing benefit overpayments (£0.194 million in respect of overpayments identified in 2023-24 and £3.033 million in respect of prior years). £3.193 million is recoverable and recovery action is taking place utilising the following methods of recovery (with 30 September 2022 figures for comparison):

Recovery Method	No of cases/ invoices	30 Sep 2022 £'000	No of cases/ invoices	30 Sep 2023 £'000
On-going entitlement to benefit	404	557	324	498
Invoice stage	244	335	156	316
Reminder stage	87	223	71	180
Final stage	562	747	541	856
External debt collector	224	224	81	98
Attachment of benefit (clerical claims)	9	58	5	5
DWP Referrals	1,008	1,233	833	1,059
Direct Earnings Attachment	164	255	121	181
CCJ obtained	0	0	0	0
CCJ cases with High Court Enforcement	0	0	0	0
Total	2,702	3,632	2,132	3,193

39. Invoices are raised for all recovery methods except where deductions are being made from on-going entitlement to benefit.

40. When it is identified that a debtor has begun to claim benefit again, and payments are not being made on an invoice, the debt is brought back into the benefit system and is recovered from on-going benefit entitlement.

41. Benchmarking performance:

- The Council had the 3rd lowest level of outstanding overpayments at the end of 2022-23 compared to the other 11 North East Councils, and again the second lowest ratio of Housing Benefit overpayments to Housing Benefit caseload.
- Performance comparison with the North East Councils at 30 September 2023 is not yet available
- CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20.

42. The £1.087 million of overpayments identified in 2022-23 are broken down as follows (with 2021-22 £1.086 million for comparison):

Overpayment Reason	2021-22		2022-23	
	Council Tenants	Private Tenants	Council Tenants	Private Tenants
	£'000	£'000	£'000	£'000
Claimant Error	154	789	153	791
Local Authority Error	1	28	1	28
Administrative Delay	4	41	4	41
Fraud	4	45	4	45
DWP Error	4	2	4	2
Technical Overpayments	9	5	9	5

Total	176	910	175	912
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43. In 2022-23 total Housing Benefit expenditure was £53.570 million and there were 12,024 claimants as at 31 March 2023. In 2021-22 total Housing Benefit expenditure was £55.591 million and there were 13,030 claimants as at 31 March 2022.

Housing Rent and other debt

44. As with other debt and income (see Key Issues above), the Council has a responsibility to all tenants to ensure the efficient and effective collection of rent, whilst minimising levels of debt that is written-off, to reduce the burden of unpaid debt on the ring-fenced Housing Revenue Account. In doing so, it allows services to be maintained and provides the opportunity to enhance service delivery by releasing additional funds.

45. A 4-year analysis of current and former tenant rent arrears is shown below.

Measure	2019-20	2020-21	2021-22	2022-23
Annual Rent Debit	£30.2m	£31.7m	£32.1m	£32.8m
Current arrears as a % of the annual rent debit (changed to % collected in 2019-20)	98.52%	100.18%	100.87%	100.62%
Current tenant rent arrears outstanding	£753,659	£653,642	£599,705	£627,763
Former arrears as a % of the annual rent debit	4.10%	3.72%	2.97%	2.60%
Former tenant rent arrears outstanding	£1,238,348	£1,183,229	£953,341	£853,746

46. The targets for rent arrears in 2022-23 were:

- Collection of current arrears - to collect 98% of rent due
- Former tenant arrears as a % of the annual rent debit - 1.90%

Note - Both amounts are year on year cumulative totals expressed as a percentage of the annual rent debit.

47. The target for current tenant rent arrears was exceeded. This is notable performance given the impact arising from full service of Universal Credit (UC) and due to financial difficulties faced by customers in the current economic climate.

48. Whilst former tenant arrears target was not achieved, we have seen a reduction in the total level of arrears outstanding and are making progress to reduce the overall debt further.

49. We continue to support customers in financial hardship of who may not be claiming all benefits they are entitled to. Our Welfare benefit Support Officers were able to generate £462,489 in 2022/23 and they have supported 111 households allocating £93,475 from the housing support fund..

50. Whilst it is a priority to support tenants as much as possible to enable their tenancies to be maintained, as an absolute last resort, eviction must be considered. A known

consequence of such action is the possibility of additional former tenant arrears and in the previous four years the following action has been taken:

Measure	2019-20	2020-21	2021-22	2022-23
Number of Notices of Seeking Possession	734	715	781	904
Number of Evictions	50	0	6	10

51. In respect of all other housing debt, 2022-23 end of year performance is shown below, together with end of year performance in 2021-22 for comparison:

Measure	Current Tenants		Former Tenants	
	31 March 2022	31 March 2023	31 March 2022	31 March 2023
Garage Arrears	£1,934	£1,400	£4,760	£3,646
Furniture Recharges	£780	£439	£41,813	£18,647
Repair Recharges	£55,507	£50,209	£578,146	£371,991
HB Overpayments	£6,699	£0	N/A	£5,899
Leasehold Service Charge	£51,766	£42,273	N/A	N/A
Bankruptcy	£8,604	£11,310	£1,066	£1,224
Court Costs	£76,271	£66,740	£118,202	£98,586

52. The targets for rent arrears in 2022-23 were:

- To collect 98% of rent owed by current tenants
- Former tenant as a % of the annual rent debit - 1.90%

Note - Tenant debt is a year-on-year cumulative total expressed as a percentage of the annual rent debit.

53. Quarter 2 performance to 30 September 2023 is shown below, together with Quarter 2 performance in 2021-22 for comparison:

Measure	Current Tenants		Former Tenants	
	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023
Arrears as a % of the debit	N/A	N/A	2.82%	2.44%
Rent collected (98% target)	98.88%	99.35%	N/A	N/A
Arrears Outstanding	£1,318,438	£1,262,754	£926,915	£907,471
Sheltered Arrears	£7,257	£6,653	£6,049	£2,981
Garage Arrears	£2,366	£2,542	£4,672	£3,592
Furniture Recharges	£439	£439	£29,268	£15,424
Repair Recharges	£53,490	£48,094	£506,465	£323,045
Housing Benefit Overpayments	£6,698	£0	N/A	£5,899
Leasehold Service Charge	£48,998	£49,295	N/A	N/A
Bankruptcy	£11,379	£12,006	£501	£1,224
Court Costs	£70,659	£59,518	£107,261	£92,385
Notices of Seeking Possession	494	422	N/A	N/A

Evictions	5	7	N/A	N/A
Attachment of Earnings Orders	0	0	0	0
Debt Collection Referrals	0	0	257	128
Attachment of Benefit Orders	0	0	0	0

54. Full Service Universal Credit was introduced in Northumberland in November and December 2018. At 30 September 2023 3,190 tenants were in receipt of the benefit, up from 3,140 tenants in March 2023.
55. Tenants wait on average 5 weeks for their first monthly payment and it is during this period that arrears are accrued. At 30 September 2023 this had resulted in collective arrears of £496,578, up from £491,893 in March 2023. Despite the yearly increase, arrears directly associated with UC performance exceeded the target set.
56. The average rent for a Northumberland County Council property is £82.54 per week and on average those in receipt of UC are in arrears of £484.11 which equates to 5.9 weeks of rent payments. For those tenants not in receipt of UC the average arrears are £290.31.
57. There are 1,213 Alternative Payment Arrangements and 367 third party reductions in place for rent arrears.
58. In addition to UC, a further 32 tenants are affected by the Benefit Cap. This compares with 44 tenants as at 31 March 2022. The Council's Welfare Benefits Advisor is working closely with these tenants and, where possible, is assisting with their claims for Discretionary Housing Payment.
59. Officers continue to work pro-actively with all tenants in arrears. Officers work in partnership with other agencies such as Citizens Advice Northumberland, and use many different contact methods to try to support customers.

Other Housing Revenue Account Debt

60. In addition to the Housing debt above the following is a breakdown of other housing debt to the Housing Revenue Account, again with performance from 21-22 for comparison:

Measure	Current Tenants		Former Tenants	
	31 March 2022	31 March 2023	31 March 2022	31 March 2023
Valley Care	£2,230	£2,179	£1,469	£238

61. Quarter 2 performance to 30 September 2023 is shown below, together with Quarter 2 performance in 2021-22 for comparison:

Measure	Current Tenants		Former Tenants	
	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023
Valley Care	£2,114	£1,547	£967	£238

Recent and current developments

62. Regular meetings are held with the Council's appointed Enforcement Agents and Citizens Advice Northumberland. Citizens Advice Northumberland continues to report that they have no major issues.
63. During August 2023 the Revenues Service implemented the Voicescape telephony tool which aims to increase engagement with customers in arrears with Council Tax at an early stage to allow payments to be made without the need to go through the Court process and incur additional Court costs.

Policy	Debts are followed up in line with the agreed Council policies and as set out in the Council's Finance and Contract rules.
Finance and value for money	By improving the robustness of debt recovery, the Council will improve its cash flow, and reduce the risk of a need to write off outstanding amounts.
Legal	The provisions for Council Tax enforcement are contained in the Council Tax (Administration and Enforcement) Regulations 1992. The provisions for Non-Domestic Rates enforcement are contained in the Non-Domestic Rating (Collection and Enforcement)(Local Lists) Regulations 1989. Section 13(2) Local Government Act 2000 and The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.
Procurement	None
Human Resources	None
Property	None
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	All debt recovery policies and the procedures they use have been subject to an equality impact assessment.
Risk Assessment	Risks relating to the non-recovery of debt are picked up within the relevant area's service plan. In addition, the risk assessments carried out in relation to the budget process highlight such areas

	and identify the appropriate controls. Budget risk assessments are carried out on an annual basis.
Crime & Disorder	Section 17 of the Crime and Disorder Act 1998 has been considered, and no implications have been identified.
Customer Consideration	Applying a more holistic approach and methodology to debt collection will ensure that all debtors and taxpayers are treated in a consistent manner. Timely recovery of debts ensures a more effective use of public money.
Carbon reduction	None
Health and Wellbeing	None
Wards	All

Background papers:

Corporate Debt Recovery Policy

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Director of Law and Corporate Governance (MO)	Stephen Gerrard
Executive Director - Transformation and Resources	Jan Willis
Relevant Executive Director	Jan Willis
Chief Executive	Helen Paterson
Portfolio Holder(s)	Councillor Richard Wearmouth

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