

## SUBMISSION TO STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

Date:

Agenda Item: 6

Contact Officer: Jane Kitchen

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Key Decision: No

### SUBMISSION BY CABINET MEMBER FOR FINANCE, DEMOCRATIC AND LEGAL SERVICES

#### FIT FOR THE FUTURE – CORPORATE DEBT REVIEW

##### 1. Purpose of Report

- 1.1 To note the latest position regarding the review of Corporate Debt Recovery that is taking place as part of the Fit 4 Future Programme and to consider whether the scope of the review and the Project Initiation Document is satisfactory.

##### 2. Summary of Policy Development

- 2.1 The purpose of a service review is to consider what service is required, assess how we currently deliver it, compare, contrast and challenge those working practices and determine how it could be delivered differently in the future, either internally, as a shared service, or externally thereby ensuring efficiencies are delivered and the service is improved.
- 2.2 As part of Phase Two of the Fit 4 Future Programme, a comprehensive review of Corporate Debt Recovery is taking place. The Corporate Debt Recovery Team is responsible for the collection of Council Tax, Non Domestic Rates, Sundry Income and Housing Benefits Overpayments. The net collectable debt for the financial year of 2012/13 was £89,477,000.
- 2.3 A Project Initiation Document has been prepared and this is attached at **APPENDIX A**. The objectives which the project is seeking to achieve are as follows: -
- To identify the purpose of the service i.e. its outcomes and outputs.
  - To analyse the needs of service users.
  - To identify options to meet the needs identified.
  - To identify the best / preferred option.
  - To challenge the preferred option.
- 2.4 A meeting of the Project Group, which comprises Officers from across the Authority, took place on 6 and 17 June and it was agreed that the review should focus on the following
- The management of Council Tax debts.

- The management of Business Rate debts.
- The management of housing benefit overpayments.
- The management of sundry income debts.

It will not include the following

- Debt counselling and advice.
- The actual collection of income although where alternative options could improve corporate debt recovery these will be identified. There is currently a project being undertaken in relation to cash less payments which will impact on corporate debt recovery and any recommendations from this review will also need to be considered.
- The collection of miscellaneous income.

#### 2.5 Future target dates

- Finalise the Service Review Report – 29 November 2013
- Review by Critical Friend – 20 December 2013
- Report to Strategic Overview and Scrutiny Committee – 29 January 2014
- Report to Cabinet with feedback from Strategic Overview and Scrutiny Committee – 4 February 2014

### **3. Community Benefits**

- 3.1 Efficient and Effective debt management is essential to the District Council in delivering services to the community.

### **4. Recommendation**

- 4.1 That the Committee notes the contents of the report and the work that has taken place to date as part of the review.

### **5. Financial Implications**

- 5.1 Inefficient debt management and controls could lead to poor cash flow and loss of revenue.
- 5.2 The Council is likely to in the future be funded solely by income generated locally through Council Tax, Local Business Rates, New Homes Bonus and fees and charges. Therefore, the management of Sundry Income debt is a key component of the Council's funding.

### **6. A Plan for Lichfield District Council - Implications**

- 6.1 Keeping a tight control of control and management of the council's finances is a long term outcome under pinning the strategic theme Boosting Business and our Economy

## **7. Sustainability and Carbon Reduction Issues**

7.1 None

## **8. Human Rights Issues**

8.1 None

## **9. Crime and Community Safety Issues**

9.1 None

## **10. Risk Management Issues**

<b>Risk</b>	<b>Category</b>	<b>Likelihood</b>	<b>Impact</b>	<b>How will we manage this risk?</b>
Poor Debt Management will lead to a loss in revenue	Financial and Reputational	Low	High	Performance Management
Failure to have sound policies and procedures in place can lead to external investigation and loss in revenue	Financial and Reputational	Low	High	The Revenues service should be proactive in recovering outstanding debts in accordance with the policy and procedures.
Insufficient Resource to deal with a potential increase in workload could lead to a loss in revenue	Financial and Reputational	Medium	High	Regular Monitoring of Collection Performance across all revenues streams.
Team members are resistant to the review	Human Resources	Medium	High	To communicate openly and honestly with all team members
There is insufficient capacity within the project team to complete the service review in the project plan timescales.	Human Resources and Reputational	Medium	High	To apply project management principles.
Other teams are resistant to the review	Human Resources	Medium	High	To communicate openly and honestly within the Council with Teams that may be affected.

**Background Document:** Project Initiation Document

**PROJECT INITIATION DOCUMENT**  
**Fit for the Future Service Review**  
**Corporate Debt Recovery**

**Document Status: Draft**

**Version Number: 2.5**

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## Review

Reviewed by	Name	Organisation	Date
Corporate Debt Service Review Group	Jane Kitchen	Finance, Revenues and Benefits	19/07/13
	Pat Leybourne	Finance, Revenues and Benefits	19/07/13
	Nikki Begley	Finance, Revenues and Benefits	19/07/13

## Approval

Approved by	Name	Organisation	Date

## Document History

Version	Summary of Changes	Document Status	Date published
1	Initial Draft	Draft	18/07/13
1.1	Updated for figures on Sundry Debt and Housing Benefit Overpayments	Draft	19/07/13
2.0	Updated to remove low risk Internal Audit recommendations	Draft	19/07/13
2.1	Minor changes to paragraph 4.6	Draft	05/08/13
2.2	Added process flowcharts	Draft	19/08/13
2.3	Added time allocation and costing information for Sundry Debtors	Draft	21/08/13
2.4	Amendments for debt collection targets and incorporation of the findings of the questionnaire	Draft	23/08/13
2.5	Added performance information for Service Areas on recovery	Draft	11/09/13

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## 1. PURPOSE

- 1.1 Support service cross cutting service reviews are being led by Jane Kitchen and Corporate Debt Recovery has been selected as one of the first set of cross cutting reviews. This first set is scheduled to be completed by the **30 September 2013**.
- 1.2 The Corporate Debt Team was formed in September 2011 to bring together the capacity and skills used within the Finance, Revenues and Benefits Directorate to collect Council Tax, Business Rates, Housing Benefits and Sundry Income debts.
- 1.3 This cross cutting review will seek to build on this initial change given debt collection will become more critical in terms of the management of the Council's finances. Efficient and effective debt collection will be more important due to:
  - The Localisation of Council Tax Support will mean that some individuals who previously paid no Council Tax will be required to make a payment.
  - Wider welfare reforms are likely to mean additional pressure on household budgets.
  - Growth, decline and arrears in Business Rates are now shared between Central Government and Local bodies including the District Council.
  - The performance of the economy through growth, inflation and employment is likely to influence the level of arrears.
  - The level of cuts to Government funding mean that Councils will increasingly become self funding and therefore more reliant on income from Business Rates, Council Tax and Fees and Charges to fund the services they deliver. This means that income from these sources will need to be maximised through robust income generation and collection.
- 1.4 The processes utilised to recover different types of debt are very different ranging from a centralised legislatively prescribed process for Council Tax and Business Rates to a more decentralised policy driven approach for the recovery of Housing Benefit overpayments and sundry income debt.
- 1.5 This project will review the effectiveness of Corporate Debt Recovery policies processes, systems and procedures utilised across the Council.

## 2. BACKGROUND

- 2.1 Local Government is changing – the demands being placed on Councils and the resources we will have to deliver our services are shifting radically and rapidly. In the past we have delivered significant savings, increased income and joined forces with partners to save money or do more. Moving forwards, we know this approach won't deliver the savings we now need to find, or tackle the challenges we face. We need to have a clearer focus on the core services we must deliver to benefit our communities. We will also need innovation, measured risk taking and, above all, a clear focus on the outcomes we need to achieve.
- 2.2 Fit for the Future is a new programme designed to help us both tackle our budget deficit, and also to adapt to meet the challenges that are facing Local Government.
- 2.3 Fit for the Future is not all about cutting our budgets, and increasing income. It's about becoming an organisation that can robustly meet future challenges.
  - **Our finances** – we currently face a funding gap of **£1.7 million** in 2014/15. We need a further **£0.3 million** saving in 2015/16, and more in future years.

- **Boosting growth** – we will consider which services to invest in, and how they assist in building our budgets to sustain us into the future. We'll be looking at how we attract businesses, and how we help them grow.
  - **Channel shift** – we will consider the benefits online transactions and services can bring. Encouraging and enabling our customers to access our services and self serve online will be a vital component of our future.
  - **Changing communities** – our population is growing and the average age is increasing. This means we will have to consider how we deliver services to our more vulnerable communities.
  - **Working in partnership** – we will need to continue to work in partnership, but we will also need to ask the question 'what's in it for our communities?' both in terms of cost and service standards.
- 2.4 The programme will be led by our Councillors. It will identify ways to cut our spending, increase our income, and make sure we are fit for our future role in Local government. It will be done by reviewing every service area in turn.
- 2.5 **Quick reviews** – with the help of our Councillors and Leadership Team, we are carrying out high level reviews of all our service areas to identify any quick wins, as well as any opportunities for immediate savings and any barriers to change.
- 2.6 **Future planning** – our Councillors are also currently mapping out what they consider to be our core services now, and in the future.
- 2.7 **Cross cutting service reviews** – taking a lead from the work Councillors are doing, we will also carry out cross cutting reviews of all service areas. As part of these reviews, we will identify the minimum outcomes we expect each service to deliver, and the costs of the various options available to us this process is shown in a flowchart at **APPENDIX A**. We will also look at fees, charges and income opportunities that exist in our services and our assets.
- 2.8 A set of principles that apply to the service review process are we will:
- Be open to all ideas.
  - Accept a lower standard of service delivery provided this is clearly addressed in the business case, and the minimum outcomes identified at the start of each service review will be met.
  - Consider delivering services through contracts, outsourcing, the creation of trusts or mutuals, or working with the private sector.
  - Benchmark, compare and embrace external challenge.
  - Work in partnership with neighbouring or like minded authorities and partners wherever we can.
  - Use other Councils ideas and best practice where appropriate, and not reinvent the wheel.
  - Stop doing anything that is not considered a core service by our Councillors.
  - Consider the needs and seek the views of customers where appropriate.



### **3. PROJECT DEFINITION**

#### **PROJECT OBJECTIVES**

3.1.1 The project's objectives are:

- To identify the purpose of the service i.e. its outcomes and outputs.
- To analyse the needs of service users.
- To identify options to meet the needs identified.
- To identify the best / preferred option.
- To challenge the preferred option.

#### **DEFINED METHOD OF APPROACH**

3.2.1 The review will be undertaken in line with the Fit for the Future Service Review methodology.

#### **PROJECT DELIVERABLES AND/OR DESIRED OUTCOMES**

3.3.1 The Service Review will identify following a robust option appraisal, the best / preferred option for the management of Corporate Debt.

#### **PROJECT SCOPE**

3.4.1 The scope of the review will cover:

- The management of Council Tax debts.
- The management of Business Rate debts.
- The management of housing benefit overpayments.
- The management of sundry income debts.

3.4.2 The scope of the review will not include:

- Debt counselling and advice.
- The actual collection of income although where alternative options could improve corporate debt recovery these will be identified. There is currently a project being undertaken in relation to cash less payments which will impact on corporate debt recovery and any recommendations from this review will also need to be considered.
- The collection of miscellaneous income.

#### **CONSTRAINTS**

3.5.1 No separate project budget has been identified to undertake this review.

3.5.2 The project will be undertaken by officers within the Finance, Revenues and Benefits area.

3.5.3 The resources requirement for each member of the project team are identified below:

Jane Kitchen	½ day per week
Pat Leybourne	½ day per week
Nikki Begley	½ day per week
Anthony Thomas	½ day per week

- 3.5.4 Any additional project support required from other areas of the Council in relation to sundry income debts will be determined following analysis of the results of a user questionnaire. This survey will identify the level of skills and resources currently allocated to support debt collection in each service area.
- 3.5.5 The only external resource utilised in the project could be related to the “challenge” element of the Fit for the Future process. This would involve another Authority / Organisation reviewing the proposals to see if they are achievable and realistic.

### **EXCLUSIONS**

- 3.6.1 The collection of miscellaneous income items.

### **INTERFACES**

- 3.7.1 Channel shift – the review of cash less payments currently being undertaken within Finance, Revenues and Benefits.
- 3.7.2 Channel shift – interaction between customers and the Council could improve debt collection performance and reduce its cost through greater use of new technologies.

### **ASSUMPTIONS**

- 3.8.1 The Project Team will be required throughout the project duration.
- 3.8.2 The assistance of other Service Teams in relation to the Sundry Income Debt review will be required.

## 4. INITIAL BUSINESS CASE

4.1 The current processes utilised in the Council for Corporate Debt are shown in detail at **APPENDIX B**. These show that Council Tax, Business Rates and Housing Benefit Overpayments are centrally managed within the Finance, Revenues and Benefits area. However Sundry Income Debt has a more decentralised process which involves more service areas within the Council. The costs, outputs and outcomes of the Corporate Debt Team are shown in detail at **APPENDICES C and D** and in summary in the table below:

Details	2012/13		
	Lichfield	Shire Districts	England
Net cost of the team after court costs recovered	£61,803		
Total net collectable debit	£89,477,000		
<u>Council Tax</u>			
Council tax collection target	No target is formally set		
Council Tax collection rate (%)	99.30%	98.10%	97.40%
Council Tax collection position in England	3 <sup>rd</sup>		
Council Tax arrears as a % of net collectable debit	2.12%		10.38%
Total Amounts written off as a % of net collectable debit	0.11%		0.75%
<u>Business Rates</u>			
Business Rates collection target	No target is formally set		
Business Rates collection rate (%)	98.40%	98.10%	97.70%
Business Rates collection position in England	15 <sup>th</sup>		
Business Rates not collected in year	3.00%		2.20%
Collection costs including losses as a % of net collectable debit	1.33%		1.76%
<u>Sundry Income Debt</u>			
Sundry income collection target	No target is formally set		
Sundry income collection rate (%)	86.78%		
Sundry income arrears as a % of net collectable debit	13.22%		
Sundry income written off as a % of net collectable debit	0.48%		
Annual cost of the Corporate Debt Team related to Sundry Income Debt	£54,313		
Annual cost of other Service Areas based on 44 weeks / 52 weeks	£36,956 / £43,675		
Time Spent on Issuing Invoices per week	14 hours 32 mins		
Time Spent on Recovery per week	47 hours 30 mins		
<u>Housing Benefit Overpayments</u>			
Housing benefit overpayments collection target	No target is formally set		
Housing benefit overpayments collection rate (%)	57.22%		
Housing benefit overpayments arrears as a % of net collectable debit	42.78%		
Housing benefit overpayments written off as a % of net collectable debit	5.98%		

- 4.2 Debt management is an important part of Financial Management within the Council. As a consequence the processes, systems and procedures employed in relation to debt management are subject to regular review by Internal Audit to identify areas where controls are not in place to manage risks.
- 4.3 Each review identifies areas where control weaknesses are present and makes recommendations where improvement should be considered.
- 4.4 An analysis of Internal Audit Reports over the last 12 months has been undertaken where recommendations related to debt collection have been identified. All medium risks are shown in detail at **APPENDIX E**. These weaknesses have primarily been identified in the Sundry Income Debt area due to the more decentralised nature of its processes and systems. The key themes from these reviews (medium and low risks) are summarised below:

Key Theme	Responsibility	Risks
Contractual documentation in relation to the charge levied on an invoice was not in place	Service Areas	In the event of a dispute over the service provided, no evidence would be in place.
An invoice was not raised or was raised late	Service Areas	Customers either receive a service for no charge, received extended credit for the service provided or there was a loss of income for the Council.
Errors were made on the invoice that was raised	Service Areas	There is both a reputational risk to the Council, potential loss of income for the Council and a cash flow implication whilst the invoice is corrected.
Credit notes were raised incorrectly	Service Areas	There is both a reputational risk to the Council and a cash flow implication whilst the invoice is corrected.
Payments had not been paid / were not up to date / arrears management was not taking place	Corporate Debt / Service Areas	There is a reputational risk to the Council and a cash flow implication.
Management of new customers	Corporate Debt / Service Areas	The risk would be that potential inaccuracies within the customer set up process may not be identified and corrected in a timely manner. Customer accounts being set up may not relate to bona fide and established companies/organisations.
Write offs and Refunds	Corporate Debt	The risk is non compliance of write off authorisation processes. The risk is refunds are being processed without prior authorisation which may result in inappropriate/fraudulent refund activity being made.

- 4.5 In two of these reviews undertaken at Leisure Centres, the management response to these risks has identified the potential use of SCUBA to collect income related to Leisure contracts rather than using the corporate sundry debtors system. This option will need to be more fully considered as part of this service review.
- 4.6 The Council is **Third (3<sup>rd</sup>)** in England for Council Tax collection and **Fifteenth (15<sup>th</sup>)** for Business Rates collection and the cost of these two activities is fully recovered through the reimbursement of court costs. Therefore, greater benefit will be achieved by focusing this review on sundry income debt collection, housing benefit overpayments and improvements to the way the team operates.

## 5. PROJECT ORGANISATION STRUCTURE

5.1 The project management team identified to undertake the project is shown in the table below:

Role	Assigned to	Responsibilities
Project Executive	Jane Kitchen	<ul style="list-style-type: none"><li>• To ensure that the service review meets its objectives and delivers the projected benefits.</li><li>• To ensure that the project maintains its focus and the work including risks is actively managed.</li></ul>
Senior Supplier / Senior User	Pat Leybourne / Nikki Begley	<ul style="list-style-type: none"><li>• To collect all relevant information and undertake the review in line with the fit for the future service review process.</li><li>• To undertake the review in line with the project plan and the project budget.</li><li>• To identify and manage risks identified in the service review.</li><li>• To prepare the final project report and implement the agreed option</li></ul>
Project Manager	Anthony Thomas	<ul style="list-style-type: none"><li>• To assist with the management of the project.</li></ul>

## 6. COMMUNICATION PLAN

- 6.1 Business Rates, Council Tax and Housing Benefit Overpayments processes are largely focussed in the Finance, Revenues and Benefits area and do not include significant involvement of other Service Teams.
- 6.2 However, the current Sundry Income Debt processes include significant Service Team involvement. Therefore, information such as the level of capacity attributed to debt collection will need to be identified by Service Areas to enable the Sundry Income Debt element of the review to be undertaken.
- 6.3 Face to face meetings with key users will be used to identify the required information through the completion of the questionnaire detailed at **APPENDIX F**. A summary of the results of this questionnaire are shown at **APPENDIX G**.

## 7. PROJECT QUALITY PLAN

- 7.1 The Service Review will identify the best / preferred option for delivery of Corporate Debt Recovery.
- 7.2 The best / preferred option will be subject to challenge by a Member of Leadership Team and Cabinet.

## **8. INITIAL PROJECT PLAN**

- 8.1 An outline project plan is shown below and a more detailed project plan is shown at **APPENDIX H**:

<b>Task</b>	<b>Timescale</b>
Identify the purpose of the service i.e. outcomes and outputs	July / August 2013
Analyse the needs of service users	July / August 2013
Identify the options available to meet the need	July / August 2013
Identify the best / preferred option	30 September 2013
Challenge the preferred option	30 September 2013
Compile the Report	31 October 2013

## **9. Project Tolerances**

- 9.1 No separate project budget has been identified to undertake this review although should any additional costs be necessary to undertake and complete the Service Review, these will be funded directly from existing budgets within the Finance, Revenues and Benefits service.
- 9.2 The initial resource required from each Project Team member has been identified in Section 3.5. However, should additional resources be required these will be managed within the overall capacity of the Finance, Revenues and Benefits area.

## **10. PROJECT CONTROLS**

- 10.1 Meetings of the Project Board will be held on a regular basis (at least monthly) to monitor the progress of the Service Review.

## **11. EXCEPTION PROCESS**

- 11.1 In the event that any issues become apparent in terms of the project plan, resources or budgets, these will be referred to the Project Executive for resolution.

## 12. INITIAL RISK LOG

12.1 The initial risk log has been identified as:

Risk	Category	Likelihood	Impact	How will we manage this risk?
Team members are resistant to the review	Human Resources	Medium	High	To communicate openly and honestly with all team members
There is insufficient capacity within the project team to complete the service review in the project plan timescales.	Human Resources / Reputational	Medium	High	To apply project management principles.
Other teams are resistant to the review	Human Resources	Medium	High	To communicate openly and honestly within the Council with Teams that may be affected.
The Sundry Debtors system license is due to expire	Technological / Reputational	High	High	To identify when the system license is due to expire.

## 13. CONTINGENCY PLANS

13.1 The contingency plans for risks that materialise are shown in the risk log.

13.2 In the event these contingency plans are insufficient, further review and risk management will be undertaken by the Project Board.

## 14. PROJECT FILING STRUCTURE

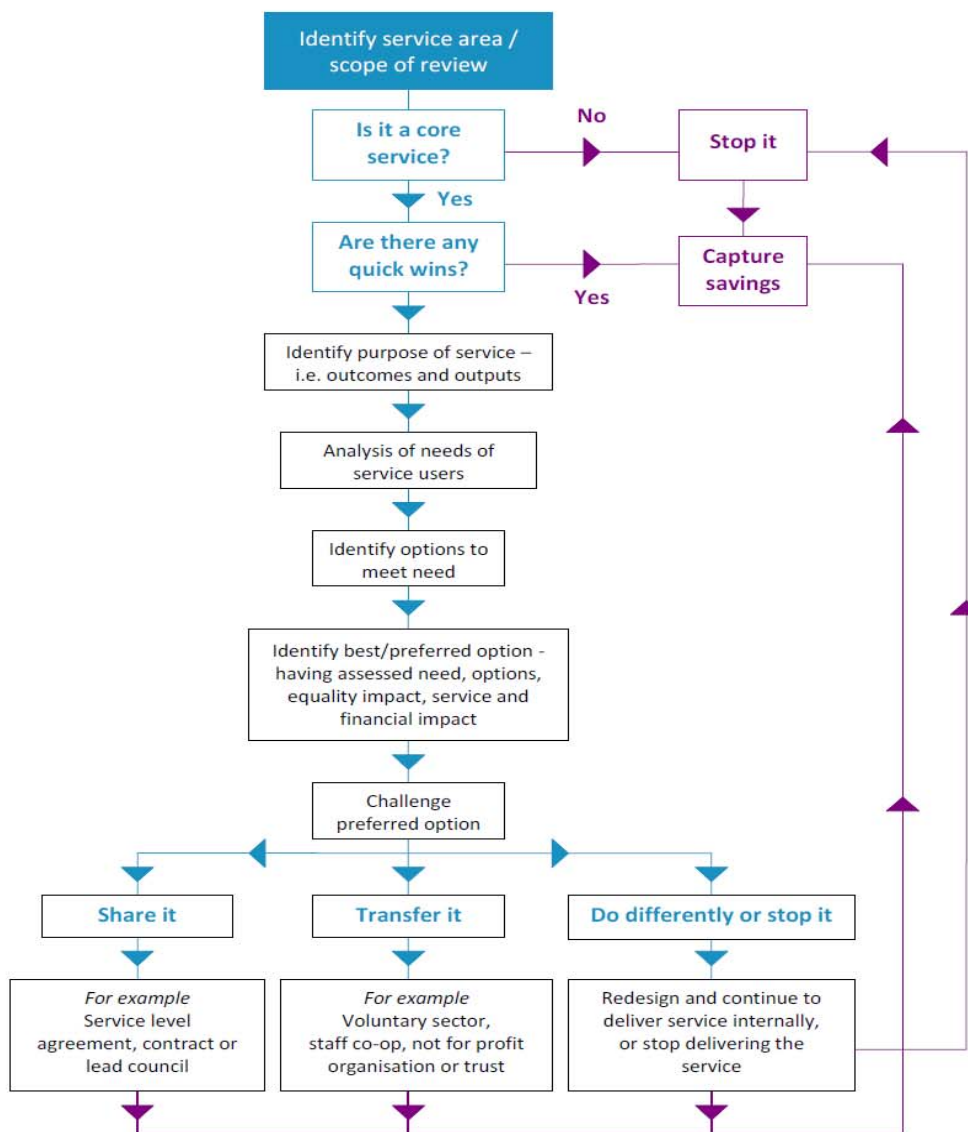
14.1 All project documentation will be stored in the shared drive:

[\\dc-file01\Departmental\Financial Services\Accounts Shared Area\Corporate Debt Recovery\F4F Service Review.](#)

## How the service review process will work?

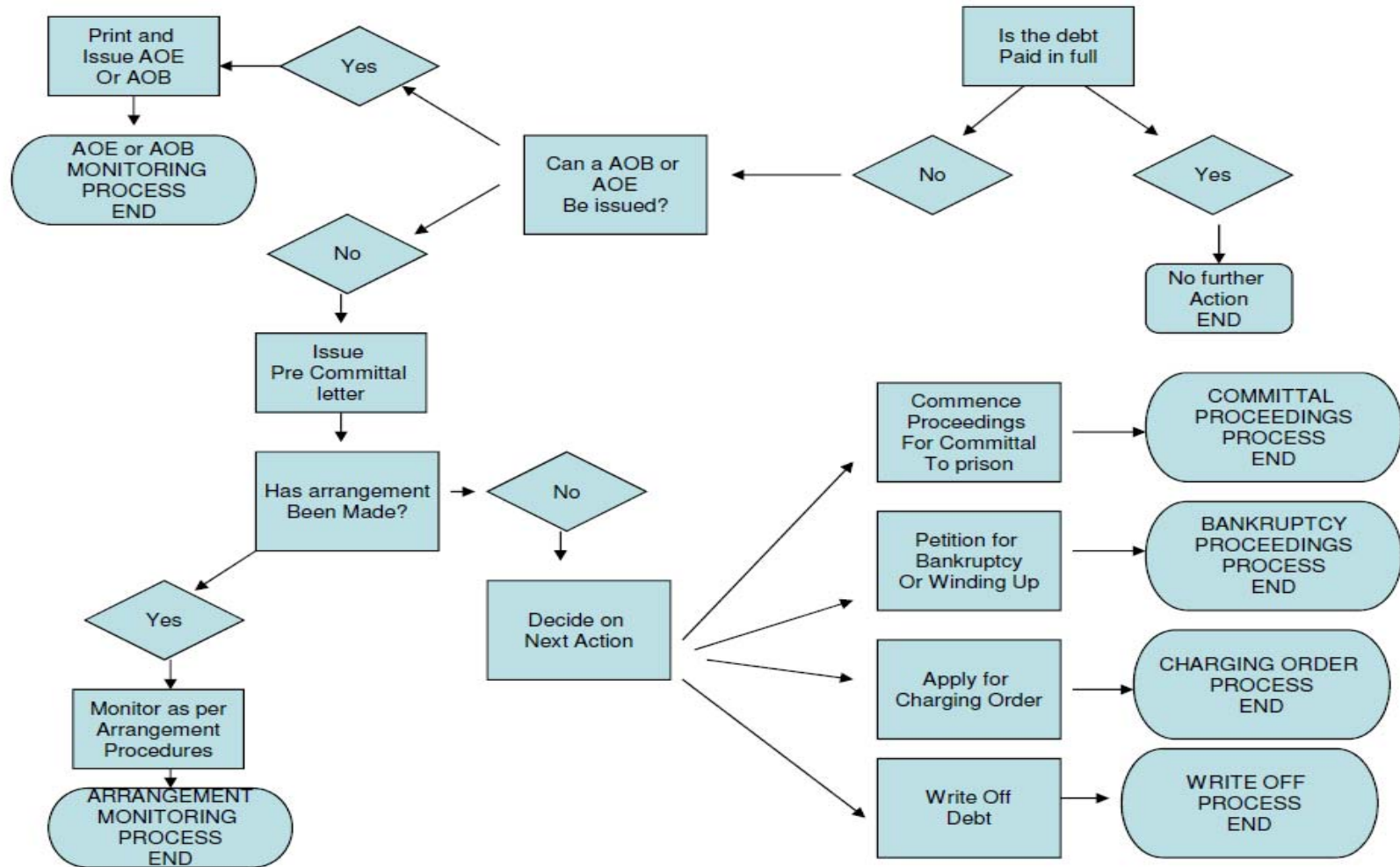
fit for the **future**

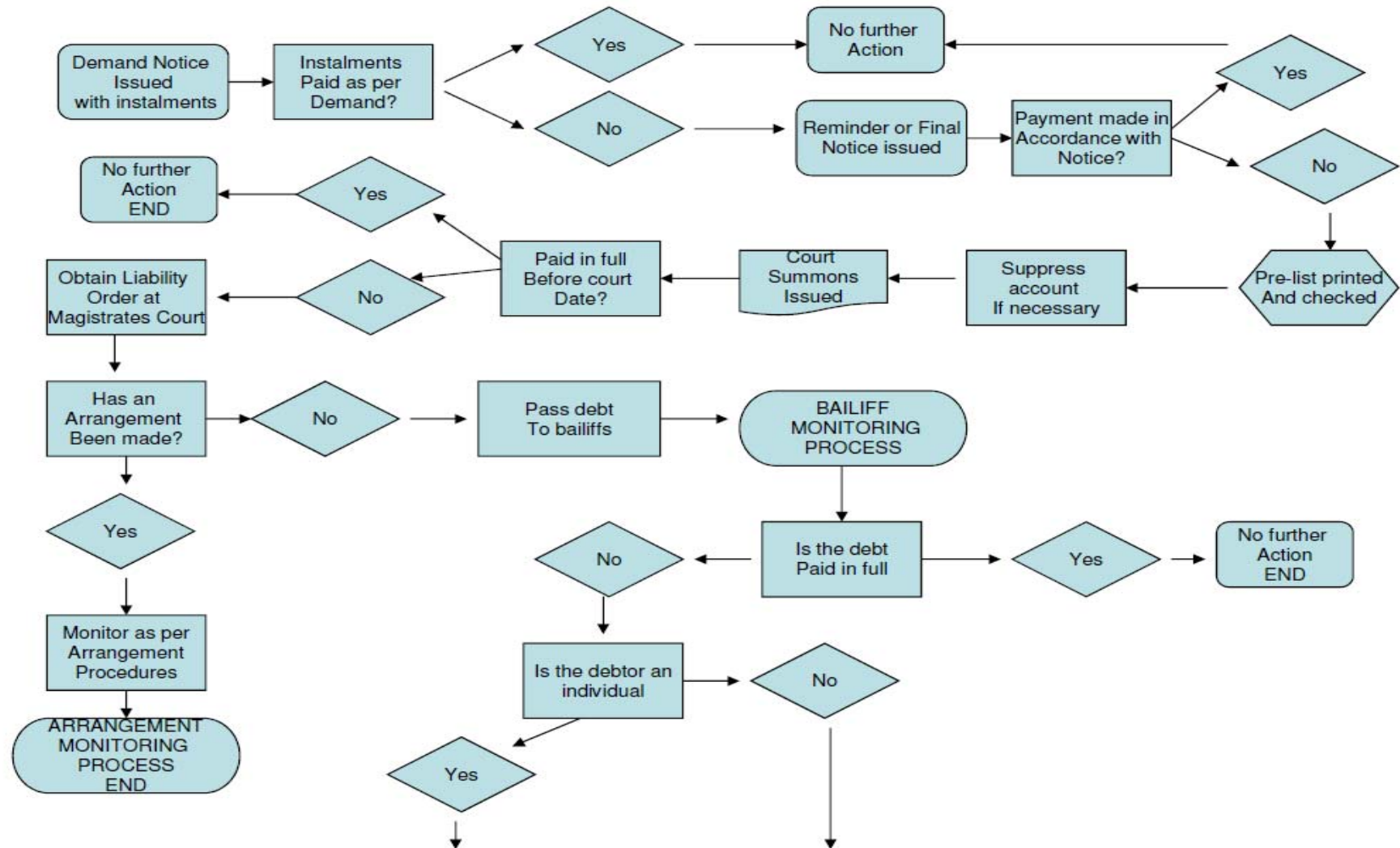
preparing us for the future

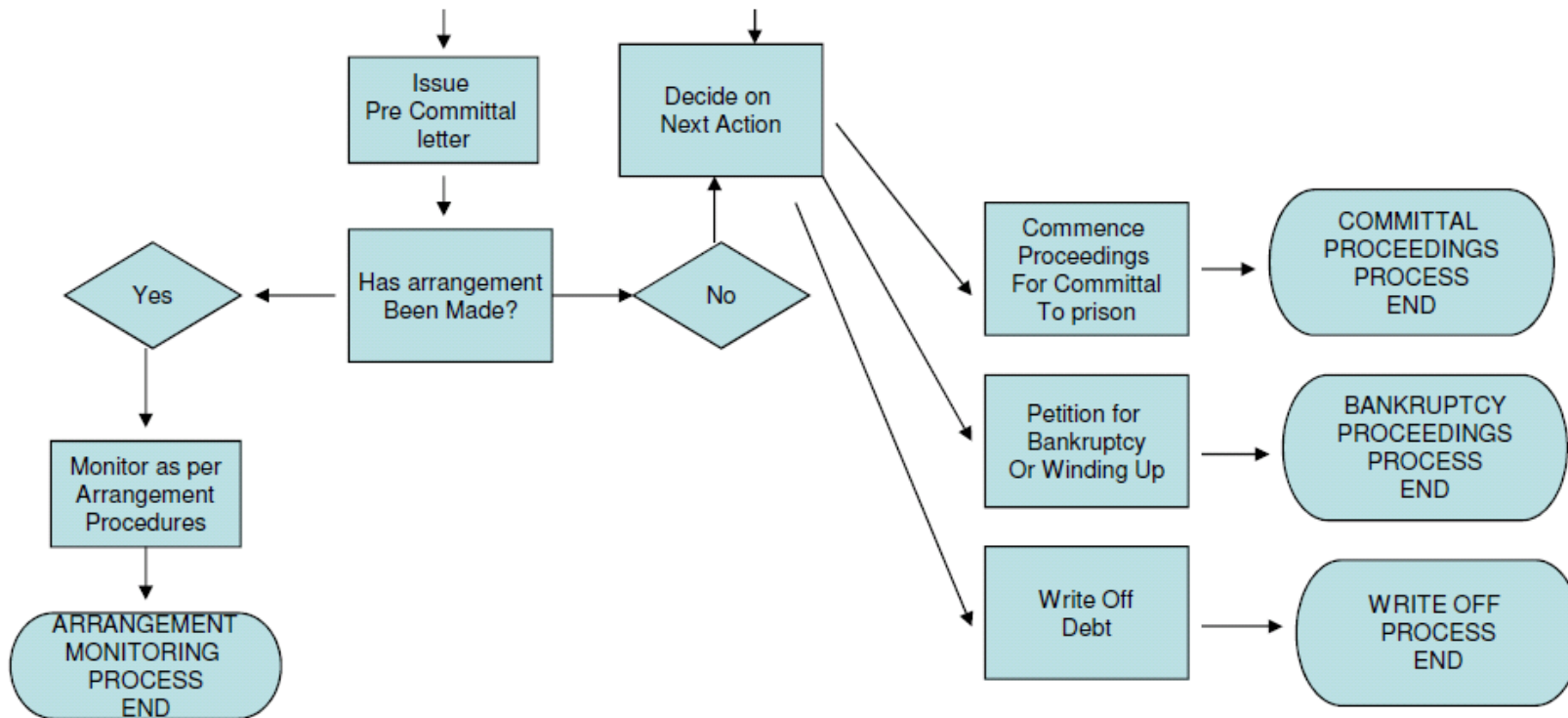




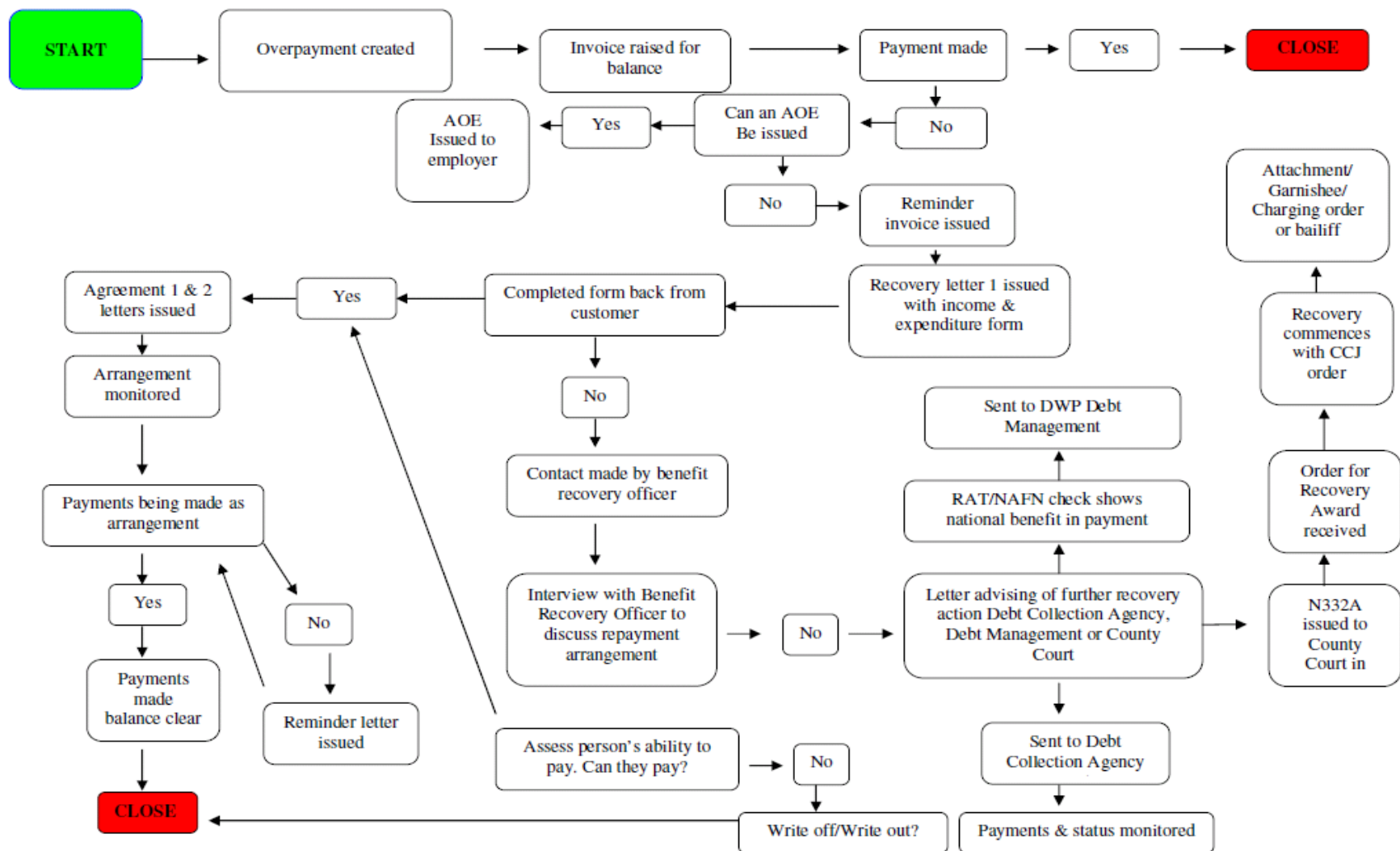




Process Map for Business Rate Collection

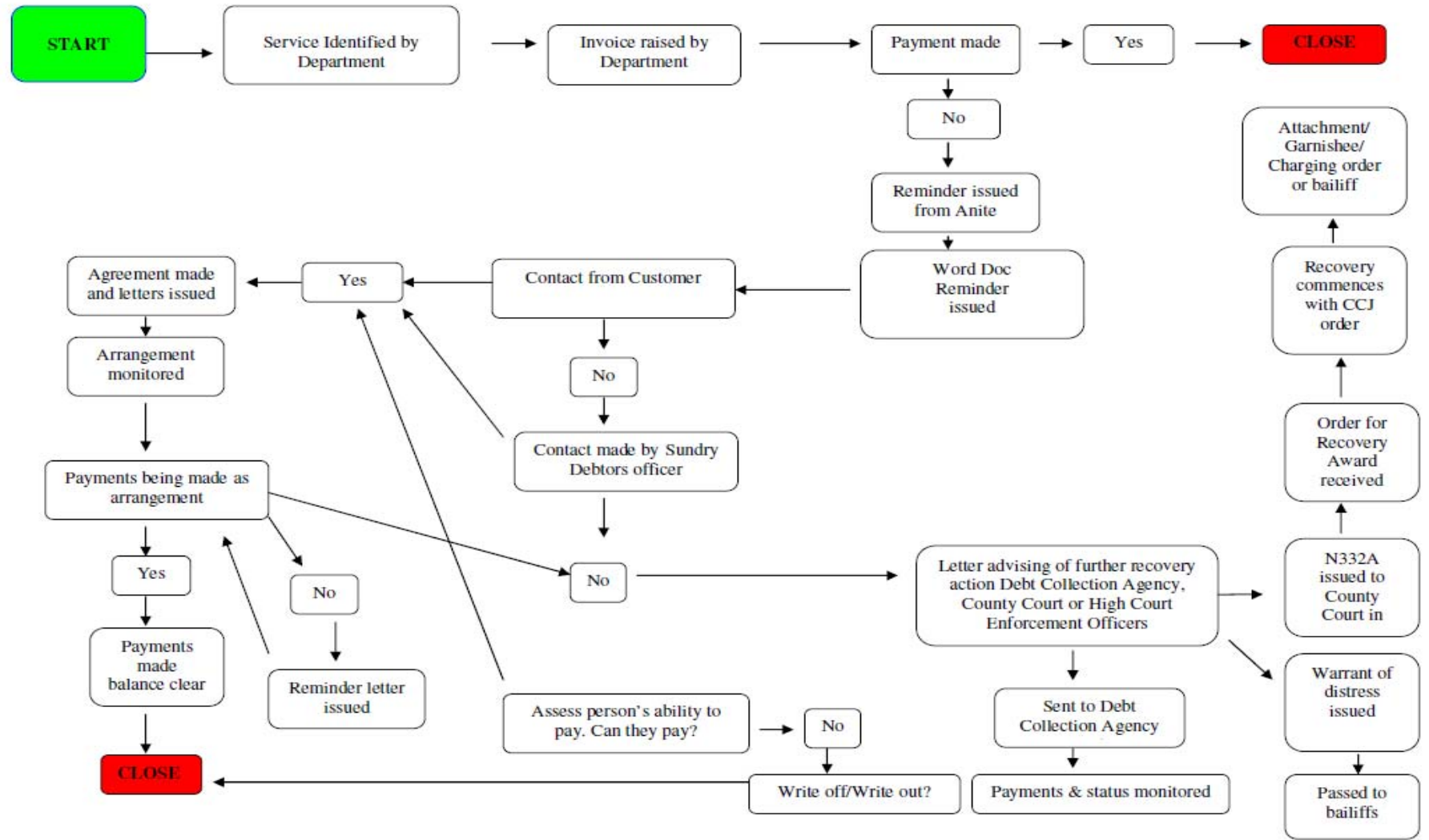


## PROCESS MAP FOR OVERPAYMENT RECOVERY BY SUNDRY DEBTOR





## PROCESS MAP FOR OVERPAYMENT RECOVERY BY SUNDRY DEBTOR



**Current Cost of the Corporate Debt Team**

The actual costs and recharges for the Corporate Debt Team in 2012/13 are summarised in the tables below:

	2012/13 Actual			
	Sundry Income	Housing Benefit	Council Tax and Business Rates	Total
	Debt	Overpayments		
	£	£	£	£
Employees	28,202	32,106	112,935	173,243
Premises	0	0	0	0
Transport	0	1,033	1,615	2,648
Supplies & Services	4,724	4,137	14,560	23,421
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	21,386	21,041	17,043	59,470
<b>Total Expenditure</b>	<b>£54,313</b>	<b>£58,316</b>	<b>£146,153</b>	<b>£258,782</b>
Court Costs Recovered	0	£0	(196,979)	(196,979)
Recharges to Other Services (Analysed in the table below)	(54,313)	(58,316)	50,826	(61,803)
<b>Total Income</b>	<b>(£54,313)</b>	<b>(£58,316)</b>	<b>(£146,153)</b>	<b>(£258,782)</b>
<b>Net Expenditure</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

Recharges to other services are as follows:

	2012/13 Actual			
	Sundry Income	Housing Benefit	Council Tax and Business Rates	Total
	Debt	Overpayments		
	£	£	£	£
Operational Services	14,294	0	0	14,294
Democratic, Development & Legal	12,151	0	0	12,151
Leisure, Parks and Play	9,516	0	0	9,516
Community, Housing & Health	8,264	0	0	8,264
Finance, Revenues & Benefits	7,593	58,316	(50,826)	15,083
Other Services	2,494	0	0	2,494
<b>Total Recharges</b>	<b>£54,313</b>	<b>£58,316</b>	<b>(£50,826)</b>	<b>£61,803</b>

## APPENDIX C

### Sundry Income Time Allocation

Service Area	Number of Invoices Raised 2012/2013	Raising invoices per week	Recovery of unpaid invoices per week	Total Per Week
FRB – Corporate Debt Team	465	2 hours 50 mins	36 hours 30 mins	39 hours 20 mins

#### Other Service Areas:

CE - CHIEF EXECUTIVE	12	Nominal	Nominal	Nominal
CE - COMMUNICATIONS	11	Nominal	Nominal	Nominal
CE - LICHFIELD DISTRICT VENTURE	8	Nominal	Nominal	Nominal
CE - SOUTHERN STAFFS PARTNERSHIP	25	2 mins	Nominal	2 mins
CHH - COMMUNITY AND PARTNERSHIPS	348	1 hour 30 mins	7 mins	1 hour 37 mins
CHH - ENVIRONMENTAL HEALTH SERVICES	108	30 mins	Nominal	30 mins
CHH - HOUSING SERVICES	79	5 mins	7 mins	12 mins
CHH - LICHFIELD CONNECTS	3	Nominal	Nominal	Nominal
CHH - OLD MINING COLLEGE CENTRE	197	30 mins	5 mins	35 mins
DDL - BUILDING CONTROL	479	1 hour 8 mins	46 mins	1 hour 52 mins
DDL - DEMOCRATIC AND LEGAL	16	Nominal	Nominal	Nominal
DDL - DEV PLANS AND IMPLEMENTATION	11	Nominal	Nominal	Nominal
DDL - DEVELOPMENT CONTROL	7	Nominal	Nominal	Nominal
DDL - SECTION 106	7	Nominal	Nominal	Nominal
DDL - URBAN DESIGN AND CONSERVATION	22	Nominal	Nominal	Nominal
DDL - VISIT LICHFIELD - TOURISM	269	1 hour 55 mins	1 hour	2 hours 55 mins
FRB - FINANCIAL SERVICES	7	Nominal	Nominal	Nominal
FRB - INFO SYSTEMS AND STRATEGY	9	Nominal	Nominal	Nominal
LPP - BURNTWOOD LEISURE CENTRE	206	2 hours	4 hours	6 hours
LPP - FRIARY GRANGE LEISURE CENTRE	136	23 mins	1 hour 15 mins	1 hour 38 mins
LPP - KING EDWARDS LEISURE CENTRE	223	52 mins	2 hours 30 mins	3 hours 22 mins
LPP - LEISURE SERVICES	25	2 mins	Nominal	2 mins
LPP - PARKS MANAGEMENT	101	30 mins	3 mins	33 mins
OS - OPERATIONAL SERVICES	1,231	2 hours 15 mins	1 hour 7 mins	3 hours 22 mins
OS - RISK AND RESILIENCE	10	Nominal	Nominal	Nominal
<b>Sub Total</b>	<b>3,550</b>	<b>11 hours 42 mins</b>	<b>11 hours</b>	<b>22 hours 42 mins</b>
<b>Total</b>	<b>4,015</b>	<b>14 hours 32 mins</b>	<b>47 hours 30 mins</b>	<b>62 hours 2 mins</b>

### Sundry Income Cost

Service Area	Other Debt Functions £	Annual Cost of Raising invoices £	Annual Cost of the Recovery of unpaid invoices £	Annual Cost Total £
Corporate Debt Team	£25,443	£2,080	£26,790	£54,313
Other Service Areas	£0	£19,048	£17,908	£36,956
<b>Total (based on 44 weeks)</b>	<b>£25,443</b>	<b>£21,128</b>	<b>£44,698</b>	<b>£91,269</b>

Other Service Areas	£0	£22,511	£21,164	£43,675
<b>Total (based on 52 weeks)</b>	<b>£25,443</b>	<b>£24,591</b>	<b>£47,954</b>	<b>£97,988</b>

The hourly rate of £37 for other service areas is based on the full cost per hour of the Fraud / Recovery Officer.



## APPENDIX C

### Sundry Income Service Area Performance

Corporate Debt allocates 9 hours 15 minutes per week to Sundry Income recovery which relates to all service areas.

Service Area	Net Collectable Debt for 2012/13	Total Arrears as at 31/03/13	Arrears more than 1 year old	Recovery of unpaid invoices per week	Arrears less than 1 year old as a percentage of Net Collectable Debt for 2012/13
FRB – HOUSING BENEFIT OVERPAYMENTS – note 1	230,758.30	358,380.00	170,698.00	36 hours 30 mins	81.3%
<b>Other Service Areas:</b>					
CE - CHIEF EXECUTIVE	42,727.12	7,739.09		Nominal	18.1%
CE - COMMUNICATIONS	24,202.41	11,521.46	925.62	Nominal	43.8%
CE - LICHFIELD DISTRICT VENTURE	6,548.52	525.00		Nominal	8.0%
CE - SOUTHERN STAFFS PARTNERSHIP	57,183.00	7,000.00		Nominal	12.2%
CHH - COMMUNITY AND PARTNERSHIPS	114,401.46	2,783.59		7 mins	2.4%
CHH - ENVIRONMENTAL HEALTH SERVICES – note 3	83,283.92	29,132.26	3,041.48	Nominal	31.3%
CHH - HOUSING SERVICES	253,772.00	68,291.76	16,512.21	7 mins	20.4%
CHH - LICHFIELD CONNECTS	13,276.40	65.00		Nominal	0.5%
CHH - OLD MINING COLLEGE CENTRE	60,423.04	3,695.72		5 mins	6.1%
DDL - BUILDING CONTROL	402,358.49	25,074.93		46 mins	6.2%
DDL - DEMOCRATIC AND LEGAL – note 4	894,357.99	88,414.12	16,865.57	Nominal	8.0%
DDL - DEV PLANS AND IMPLEMENTATION	102,099.60	4,083.33		Nominal	4.0%
DDL - DEVELOPMENT CONTROL	2,253.14	1,929.00	1,350.00	Nominal	25.7%
DDL - SECTION 106	135,672.27	5,940.99		Nominal	4.4%
DDL - URBAN DESIGN AND CONSERVATION	25,984.49	1,755.00		Nominal	6.8%
DDL - VISIT LICHFIELD - TOURISM	49,550.64	14,526.02	284.18	1 hour	28.7%
FRB - FINANCIAL SERVICES	160,818.50	73,961.99		Nominal	46.0%
FRB - INFO SYSTEMS AND STRATEGY	2,389.82	165.44		Nominal	6.9%
LPP - BURNTWOOD LEISURE CENTRE	177,305.58	23,712.69	480.80	4 hours	13.1%
LPP - FRIARY GRANGE LEISURE CENTRE	116,584.18	35,123.99	929.15	1 hour 15 mins	29.3%
LPP - KING EDWARDS LEISURE CENTRE	114,766.91	43,255.81	1,827.28	2 hours 30 mins	36.1%
LPP - LEISURE SERVICES	8,350.00	337.50		Nominal	4.0%
LPP - PARKS MANAGEMENT	66,182.01	17,389.26	344.74	3 mins	25.8%
OS - OPERATIONAL SERVICES	2,776,230.01	352,980.30	5,826.25	1 hour 7 mins	12.5%
OS - RISK AND RESILIENCE	67,800.58			Nominal	0.0%
PE – PERSONNEL – note 2	-334.92	506.34	506.34	Nominal	0.0%
VH – VENTURE HOUSE – note 2	-4,803.30			Nominal	0.0%
LF – LICHFIELD GARRICK	82,036.62	579.80	196.89	No Information	0.5%
<b>Sub Total</b>	<b>5,835,420.48</b>	<b>820,490.39</b>	<b>49,090.51</b>	<b>11 hours</b>	<b>13.2%</b>
<b>Total</b>	<b>6,066,178.78</b>	<b>1,178,870.39</b>	<b>219,788.51</b>	<b>47 hours 30 mins</b>	<b>15.8%</b>

#### Notes

- 1 – There are a large number of small value debts that require significant levels of recovery.
- 2 - Minus values relate to adjustments such as credit notes.
- 3 – Corporate Debt undertakes the majority of recovery for this team.
- 4 – Corporate Debt undertakes all of the recovery for this team.

Service areas in red are where current arrears are greater than the average for all service areas of **13.2%**.

Service areas in amber are within 1% of the average of all service areas of **13.2%**.

Service areas in green are where current arrears are less than the average for all service areas of **13.2%**.

## Current Outcomes

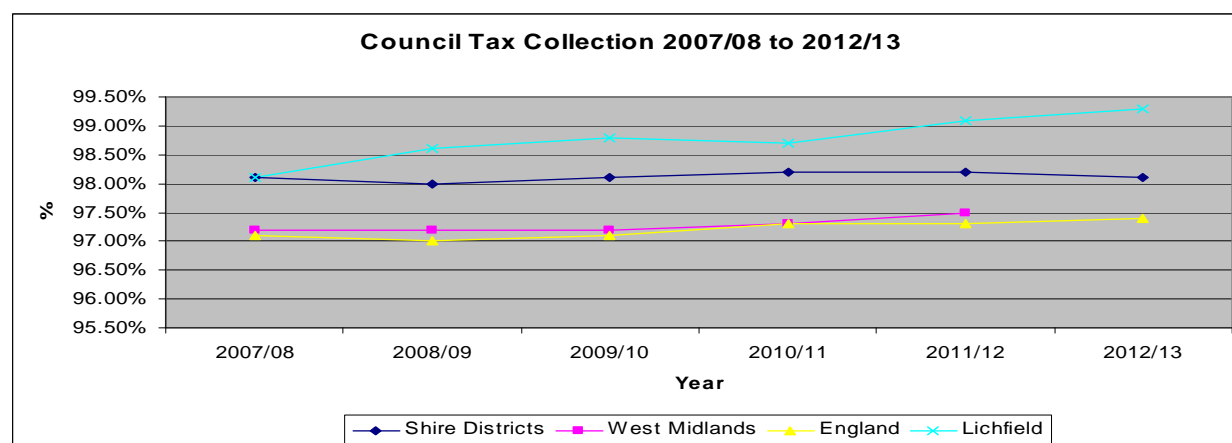
The level of debt managed by the Corporate Debt Team and for Sundry Income Debt with other Service Areas is shown in the table below:

Type of Debt	2007/08 £	2008/09 £	2009/10 £	2010/11 £	2011/12 £	2012/13 £
Sundry Income Debt	3,928,000	5,143,000	3,984,000	4,938,000	10,234,000	5,835,000
Housing Benefit Overpayments	214,000	157,000	88,000	143,000	101,000	231,000
Sub Total	4,142,000	5,300,000	4,072,000	5,081,000	10,335,000	6,066,000
Council Tax <sup>1</sup>	45,707,000	47,462,000	48,366,000	49,524,000	49,849,000	50,545,000
Business Rates <sup>2</sup>	28,026,000	30,713,000	30,281,000	29,898,000	31,532,000	32,866,000
<b>Net Collectable Debit</b>	<b>£77,875,000</b>	<b>£83,475,000</b>	<b>£82,719,000</b>	<b>£84,503,000</b>	<b>£91,716,000</b>	<b>£89,477,000</b>

### Council Tax Collection Rates

The in year collection performance for Council Tax over the last six years is shown in the table and graph below:

Council Tax	2007/08 %	2008/09 %	2009/10 %	2010/11 %	2011/12 %	2012/13 %
Shire Districts	98.10	98.00	98.10	98.20	98.20	98.10
West Midlands	97.20	97.20	97.20	97.30	97.50	N/a
England	97.10	97.00	97.10	97.30	97.30	97.40
<b>Lichfield</b>	<b>98.10</b>	<b>98.60</b>	<b>98.80</b>	<b>98.70</b>	<b>99.10</b>	<b>99.30</b>
Cannock Chase	97.80	98.50	98.70	98.10	98.00	97.80
East Staffordshire	98.40	98.60	98.60	98.50	98.50	98.50
Newcastle	97.10	97.20	97.70	97.30	97.00	97.30
South Staffordshire	98.30	98.20	98.50	97.90	97.70	98.00
Stafford	97.00	97.40	98.00	98.10	98.40	98.20
Staffordshire Moorlands	99.10	99.10	99.20	98.80	98.90	98.80
Tamworth	97.80	97.60	98.30	98.00	98.10	98.00
<b>Performance compared to the Shire Districts average</b>	<b>0.00</b>	<b>0.60</b>	<b>0.70</b>	<b>0.50</b>	<b>0.90</b>	<b>1.20</b>



<sup>1</sup> QRC 4 return figures

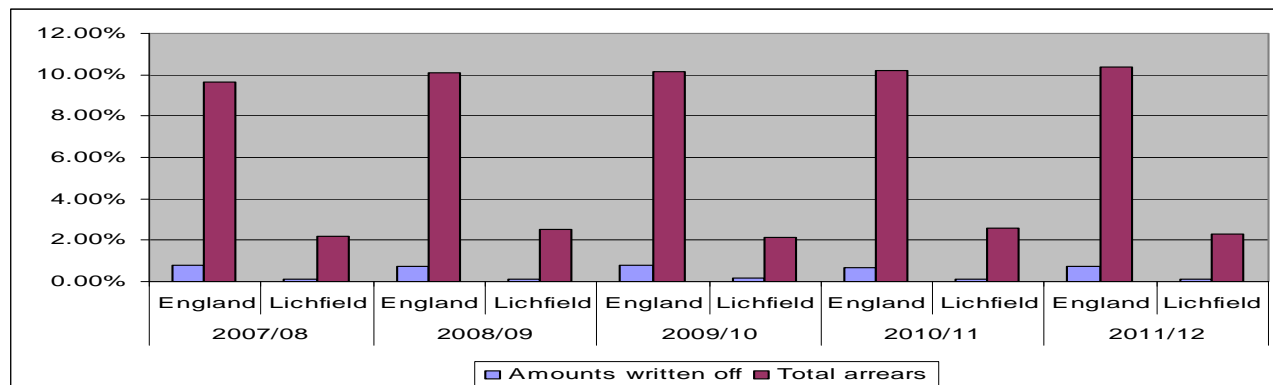
<sup>2</sup> QRC 4 return figures

## Current Outcomes

### Council Tax Arrears and Write Offs

<b>Lichfield</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Net Collectable Debit	45,707,000	47,462,000	48,366,000	49,524,000	49,849,000	50,545,000
Amounts written off in year relating to earlier years	38,000	40,000	76,000	33,000	42,000	45,000
	0.08%	0.08%	0.16%	0.07%	0.08%	0.09%
Amounts written off in year relating to current year	4,000	3,000	9,000	10,000	4,000	8,000
	0.01%	0.01%	0.02%	0.02%	0.01%	0.02%
Total Arrears outstanding as at 31st March	1,011,000	1,192,000	1,035,000	1,267,000	1,152,000	1,070,000
	2.21%	2.51%	2.14%	2.56%	2.31%	2.12%
Arrears in respect of earlier years	13,000	414,000	605,000	648,000	650,000	667,000
	0.03%	0.87%	1.25%	1.31%	1.30%	1.32%
Arrears in respect of current year	998,000	778,000	430,000	619,000	502,000	403,000
	2.18%	1.64%	0.89%	1.25%	1.01%	0.80%

<b>England</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Net Collectable Debit	20,724,137,931	21,561,000,000	22,071,000,000	22,526,000,000	22,688,000,000
Amounts written off in year relating to earlier years	149,000,000	154,000,000	155,000,000	140,000,000	164,000,000
	0.72%	0.71%	0.70%	0.62%	0.72%
Amounts written off in year relating to current year	9,000,000	9,000,000	13,000,000	7,000,000	7,000,000
	0.04%	0.04%	0.06%	0.03%	0.03%
Total Arrears outstanding as at 31st March	1,994,000,000	2,179,000,000	2,242,000,000	2,295,000,000	2,355,000,000
	9.62%	10.11%	10.16%	10.19%	10.38%
Arrears in respect of earlier years	1,321,000,000	1,407,000,000	1,531,000,000	1,601,000,000	1,666,000,000
	6.37%	6.53%	6.94%	7.11%	7.34%
Arrears in respect of current year	673,000,000	772,000,000	711,000,000	694,000,000	689,000,000
	3.25%	3.58%	3.22%	3.08%	3.04%

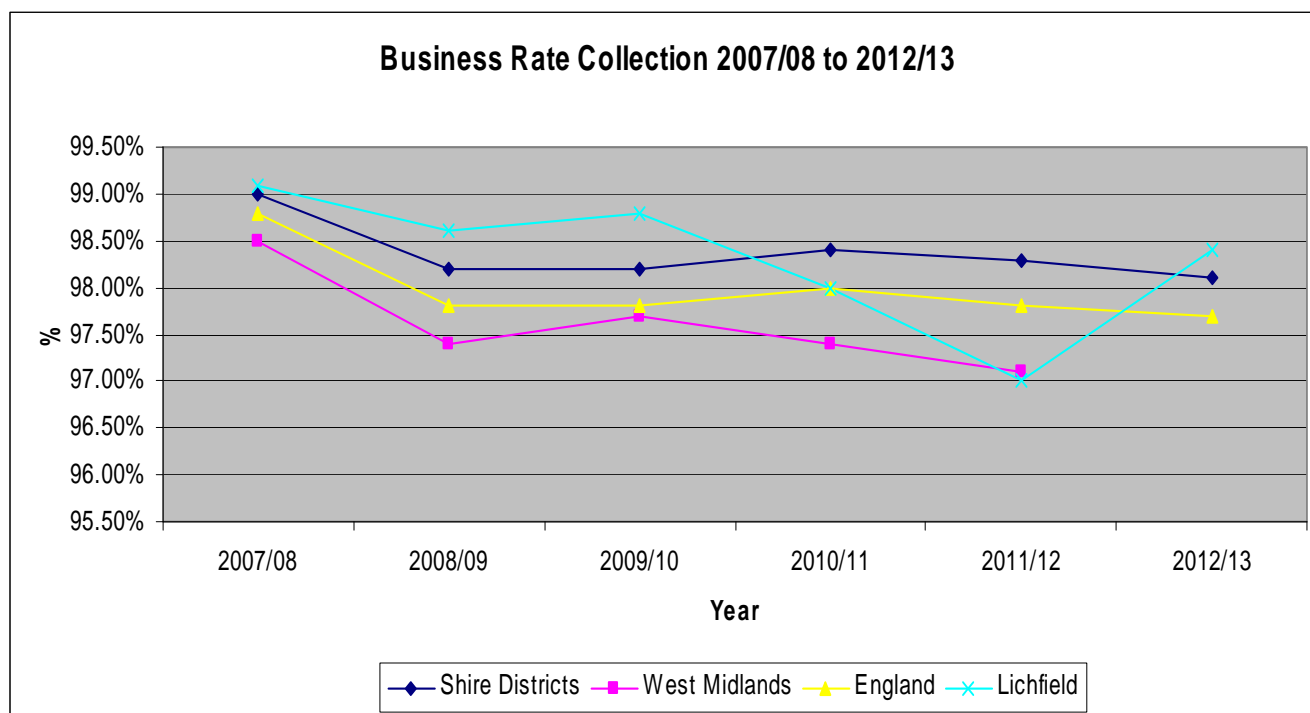


## Current Outcomes

### Business Rates Collection Rates

The in year collection performance for Business Rates over the last six years is shown in the table and graph below:

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Shire Districts	99.00	98.20	98.20	98.40	98.30	98.10
West Midlands	98.50	97.40	97.70	97.40	97.10	N/a
England	98.80	97.80	97.80	98.00	97.80	97.70
<b>Lichfield</b>	<b>99.10</b>	<b>98.60</b>	<b>98.80</b>	<b>98.00</b>	<b>97.00</b>	<b>98.40</b>
Cannock Chase	99.30	98.20	99.20	97.30	97.10	97.30
East Staffordshire	99.10	99.60	99.80	99.70	98.10	98.40
Newcastle	97.60	95.60	96.60	97.60	95.70	97.50
South Staffordshire	98.60	97.10	96.90	97.30	97.10	97.00
Stafford	97.00	97.10	97.80	98.20	97.40	97.60
Staffordshire Moorlands	99.40	99.00	99.20	99.00	98.40	98.70
Tamworth	99.40	98.60	98.30	98.40	97.60	98.00
<b>Lichfield's performance compared to the Shire District's average</b>	<b>0.10</b>	<b>0.40</b>	<b>0.60</b>	<b>(0.40)</b>	<b>(1.30)</b>	<b>0.30</b>

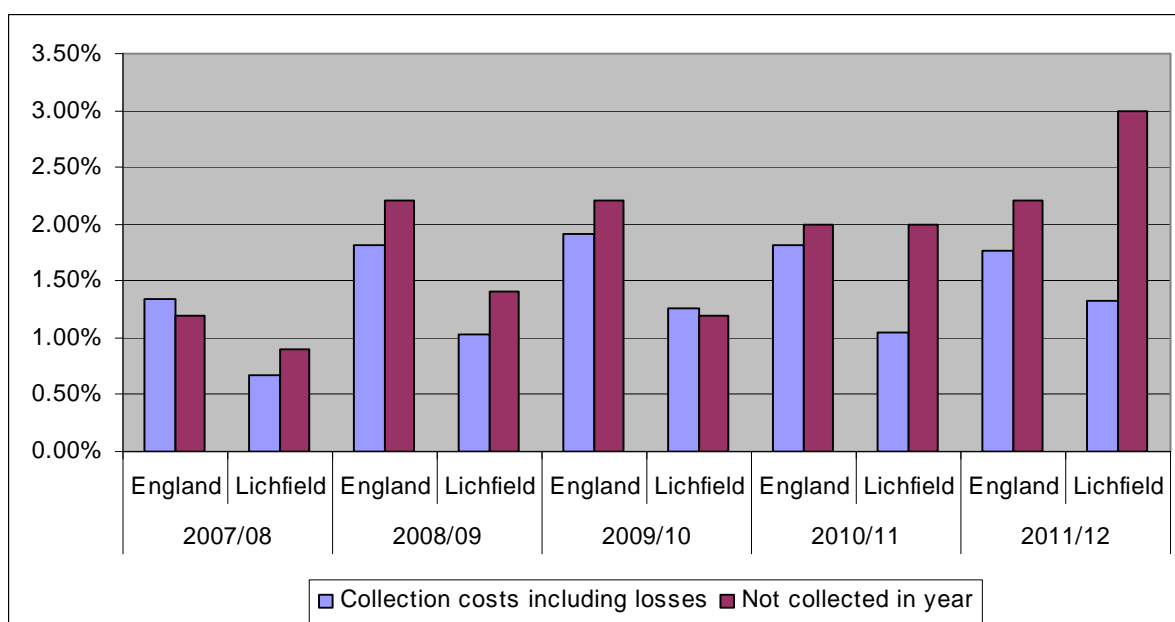


## Current Outcomes

### Business Rates Arrears and Write Offs

<b>Lichfield</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Net Collectable Debit	28,026,000	30,713,000	30,281,000	29,898,000	31,532,000
Net rate yield	27,573,509	30,241,794	29,490,048	28,821,571	31,541,629
Collection costs including losses	183,930 0.67%	309,537 1.02%	372,844 1.26%	299,893 1.04%	420,255 1.33%
Total Arrears	398,648	652,777	861,367	891,360	1,129,429
Not collected in year	252,234 0.90%	429,982 1.40%	363,372 1.20%	597,960 2.00%	945,960 3.00%

<b>England</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Net Collectable Debit	17,916,666,667	19,227,272,727	19,983,683,000	20,025,000,000	21,290,000,000
Net rate yield	17,369,000,000	19,068,000,000	19,412,000,000	19,276,000,000	21,034,000,000
Collection costs including losses	232,000,000 1.34%	347,000,000 1.82%	373,000,000 1.92%	349,000,000 1.81%	371,000,000 1.76%
Not collected in year	215,000,000 1.20%	423,000,000 2.20%	439,641,026 2.20%	400,500,000 2.00%	468,380,000 2.20%



## Current Outcomes

### Sundry Income Debt and Housing Benefit Overpayments

<b>Sundry Income Debt</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Net Collectable Debit	£3,928,000	£5,143,000	£3,984,000	£4,938,000	£10,234,000	£5,835,000
Amounts written off in year relating to earlier years		£25,859	£141,601	£24,962	£38,036	£20,652
Amounts written off in year relating to current year		£3,748	£949	£7,058	£3,523	£5,984
Periodicals written off		£184	£59,254	£10,212	£51,242	£1,394
Total Arrears outstanding as at 31st March		£1,489,413	£1,126,799	£845,462	£739,883	£820,490
Arrears in respect of earlier years		£188,742	£221,642	£121,346	£40,980	£49,091
Arrears in respect of current year		£1,300,671	£905,157	£724,116	£698,903	£771,399

<b>Housing Benefit Overpayments</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Net Collectable Debit	£214,000	£157,000	£88,000	£143,000	£101,000	£231,000
Amounts written off in year relating to earlier years		£13,320	£23,535	£12,970	£34,125	£19,424
Amounts written off in year relating to current year		£1,261	£4,757	£4,688	£945	£1,861
Total Arrears outstanding as at 31st March		£257,933	£242,854	£326,970	£289,005	£358,380
Arrears in respect of earlier years		£114,260	£102,913	£149,154	£161,061	£170,698
Arrears in respect of current year		£143,673	£139,941	£177,816	£127,944	£187,682

## **Internal Audit Recommendations in relation to Corporate Debt in the last 12 months (High and Medium Risk only)**

### **The Internal Audit review of King Edward VI Leisure Centre dated 25<sup>th</sup> June 2013**

This review identified the following issues in relation to the management of sundry debtor invoices:

#### **Finding 2 (Medium Risk).**

A review of 5 one off bookings found that the room hire for a function on the 12/5/13 has not been paid.

#### **Finding 3 (Medium Risk).**

Four credit notes have been raised against the Leisure Leagues invoice M0007281855 to adjust the invoice for the sessions that had to be cancelled when the pitch was closed due to bad weather. The credit notes have been raised for the incorrect value, £71.67 instead of the £35.84 per session.

#### **Finding 4 (Medium Risk).**

Payments are not up to date on sundry debtor invoices raised for the contract hire of the synthetic pitch and room/hall hire.

#### **Finding 5 (Medium Risk).**

The Best of Lichfield have a contract regular room hire. A sundry debtor invoice has not been raised for the charge, the customer pays on the day of hire and it is accounted for on the Scuba system.

### **The Internal Audit Review of Shared Services dated 22<sup>nd</sup> February 2013**

This review identified the following issues in relation to the management of sundry debtor invoices:

#### **Finding 1 (Medium Risk).**

Errors were identified in the vat rates applied to the sundry debtor invoices raised where LDC provide the service:-

- Standard rated vat was applied to the recharge of mileage expenses in relation to the Internal Audit shared service and the Health & Safety shared service; it is a non-business supply.
- One of the Building Control invoices was raised with zero rated vat, the others with standard rated; it should be standard rated.

The invoices raised for the Conservation Service have been raised as non-business; they should be subject to standard rated vat.

**The Internal Audit Review of Burntwood Leisure Centre dated 27<sup>th</sup> September 2012**

**Finding 2 (Medium Risk).**

A review of 10 contract hire bookings found the following:-

- The price charged per session was not in line with the price list for 6 of the contracts. There was no evidence of authorisation by the manager.
- The invoice raised for the total contract charge was not in line with the agreed price per session or the number of sessions did not agree with the contract for 4 of the contracts.
- There was not a signed contract in place for 3 of the hirers.
- Invoices were not raised prior to the start of the contract hire period.
- Payments were outstanding for 2 of the invoices after the end of the hire period.
- One invoice was coded to the incorrect income code.

**Finding 3 (Medium Risk).**

The review of one outstanding invoice, for contract hire of the synthetic pitch for Flag and Lamb FC, found that it is unknown whether the team used the facilities.

The contract was never returned, however the synthetic pitch was booked on Scuba and an invoice was raised. Payment has not been received.

**Finding 4 (Medium Risk).**

It was noted that the Head Receptionist is not informed if invoices remain unpaid for customers who have 'credit' agreements, where sundry debtor invoices are raised. She is not aware to chase payment or to discontinue credit arrangements if required.

**The Internal Audit Review of Community Transport dated January 2013**

**Finding 1 (Medium Risk).**

A review of 10 invoices raised for services provided noted that 6 were raised more than a month from the service date (of these 4 related to invoices with more than one trip per month, whereas 2 invoices were for a single trip)



**Sundry Debtor Income Service Questionnaire**

Name	
Job Title	
Hours worked	
Team	
Directorate	
Report to : _____ is this different in respect of unpaid invoices	
How often do you use Anite and for how long ( eg one hour daily) for the input of invoices, are there peaks and troughs	
How much of your time is spent using Anite for the checking of unpaid invoices (eg one hour daily). Are there peaks and troughs	
Do you feel confident using Anite? Are you able to easily find invoices, check information on the system relating to invoices, look to see if an invoice has been paid?	
Tasks undertaken on Anite e.g. Input of invoices, recovery of invoices	
Do you check daily for any tasks outstanding?	
Currently invoices and reminders are returned to you for checking prior to sending them out, do you feel this is necessary and do you find you have to amend any or send additional paperwork with any?	
Do you send your invoices/reminders 1st or 2nd class	
Are you aware of and have you read the Corporate Debt Collection Policy?	Y/N
What process do you follow when a debt has remained unpaid after 30 days?	

## APPENDIX F

What do you do if someone has a dispute over the invoice you have issued?	
Are there any services you currently issue a sundry debt invoice for that could be paid for upfront (and in advance) or at the point of service?	
Do you have any written procedures for issuing invoices and recovery of outstanding invoices	
Are you set targets for issuing invoices and recovery of outstanding invoices? (eg, invoices to be issued within X number of days)	
Further comments	

### Questionnaire Findings

We have undertaken a questionnaire to all users of the Anite System. 30 users were interviewed. No interviews were undertaken with the Benefits Assessment Team as they only input invoices and do not undertake recovery of any debts. The object of the questionnaire was to establish the following:

- The time each user spent inputting invoices on to Anite
- The time each user spent on recovery of outstanding invoices
- Establish if a consistent approach to the recovery of debts was followed by all users and departments
- Establish if there was an awareness of the Corporate Debt Recovery Policy

Each user was interviewed in person (high users) or over the telephone (low users).

The results have shown as follows:

### Corporate Debt Recovery Policy

The Corporate Debt Recovery Policy was agreed and accepted at the Cabinet Meeting held on the 7 July 2009. It is available to view on the Council's Intranet.

Only 27% of the users are aware of and have read the Corporate Debt Recovery Policy, 33 % have no knowledge and have not read the policy and the remaining 40% are aware of the policy but have not read it. Therefore, 73% of users have never read the policy.

## APPENDIX G

### Time spent on issuing invoices.

The time spent by users inputting invoices varies from one department to another, wholly dependent on the chargeable services they provide.

The table below shows the % of invoices raised by department:

Department	Number of Invoices Raised 2012/2013 (not including periodicals)	% of total invoices raised 2012/2013 (not including periodicals)	Total Time spent raising invoices per week	Total time spent as a % of total time worked
OPERATIONAL SERVICES	1231	29.51%	2 hours 15 mins	1.7%
BUILDING CONTROL	479	11.48%	1 hour 8 mins	1.23%
REVENUES AND BENEFITS	465	11.15%	2 hours 50 mins	1.1%
COMMUNITY AND PARTNERSHIPS	348	8.34%	1 hour 30 mins	4%
VISIT LICHFIELD - TOURISM	269	6.45%	1 hour 55 mins	3.7%
KING EDWARDS LEISURE CENTRE	223	5.35%	52 mins	0.6%
BURNTWOOD LEISURE CENTRE	206	4.94%	2 hours	10%
OLD MINING COLLEGE CENTRE	197	4.72%	30 mins	2.3%
FRIARY GRANGE LEISURE CENTRE	136	3.26%	23 mins	0.5%
ENVIRONMENTAL HEALTH SERVICES	108	2.59%	30 mins	1.6%
PARKS MANAGEMENT	101	2.42%	30 mins	1.4%
HOUSING SERVICES	79	1.89%	5 mins	0.3%
LEISURE SERVICES	25	0.60%	2 mins	Nominal
SOUTHERN STAFFS PARTNERSHIP	25	0.60%	2 mins	Nominal
URBAN DESIGN AND CONSERVATION	22	0.53%	Nominal	Nominal
DEMOCRATIC AND LEGAL	16	0.38%	Nominal	Nominal
CHIEF EXECUTIVE	12	0.29%	Nominal	Nominal
COMMUNICATIONS	11	0.26%	Nominal	Nominal
DEV PLANS AND IMPLEMENTATION	11	0.26%	Nominal	Nominal
RISK AND RESILIENCE	10	0.24%	Nominal	Nominal
INFO SYSTEMS AND STRATEGY	9	0.22%	Nominal	Nominal
LICHFIELD DISTRICT VENTURE	8	0.19%	Nominal	Nominal
DEVELOPMENT CONTROL	7	0.17%	Nominal	Nominal
FINANCIAL SERVICES	7	0.17%	Nominal	Nominal
SECTION 106	7	0.17%	Nominal	Nominal
LICHFIELD CONNECTS	3	0.07%	Nominal	Nominal

### Time spent on the Recovery of unpaid invoices

The time spent by users in recovery of unpaid invoices varies from one department to another and varies dependant on the number of invoices raised.

The table below shows the time spent on recovery of unpaid invoices by department:

Department	Number of Invoices Raised 2012/2013	Total Time spent weekly on the Recovery of unpaid invoices	Total time spent as a % of total time worked
OPERATIONAL SERVICES	1231	1 hour 7 mins	0.8%
BUILDING CONTROL	479	46 mins	0.8%
REVENUES AND BENEFITS	465	36 hours 30 mins	14.1%
COMMUNITY AND PARTNERSHIPS	348	7 mins	0.3%
VISIT LICHFIELD - TOURISM	269	1 hour	1.9%
KING EDWARDS LEISURE CENTRE	223	2 hours 30 mins	1.7%
BURNTWOOD LEISURE CENTRE	206	4 hours	20%
OLD MINING COLLEGE CENTRE	197	5 mins	0.4%
FRIARY GRANGE LEISURE CENTRE	136	1 hour 15 mins	1.7%
ENVIRONMENTAL HEALTH SERVICES	108	0 hours	0
PARKS MANAGEMENT	101	3 mins	0.14%
HOUSING SERVICES	79	7 mins	0.4%
LEISURE SERVICES	25	nominal	nominal
SOUTHERN STAFFS PARTNERSHIP	25	nominal	nominal
URBAN DESIGN AND CONSERVATION	22	nominal	nominal
DEMOCRATIC AND LEGAL	16	nominal	nominal
CHIEF EXECUTIVE	12	nominal	nominal
COMMUNICATIONS	11	nominal	nominal
DEV PLANS AND IMPLEMENTATION	11	nominal	nominal
RISK AND RESILIENCE - ORG DEV	10	nominal	nominal
INFO SYSTEMS AND STRATEGY	9	nominal	nominal
LICHFIELD DISTRICT VENTURE	8	nominal	nominal
DEVELOPMENT CONTROL	7	nominal	nominal
FINANCIAL SERVICES	7	nominal	nominal
SECTION 106	7	nominal	nominal
LICHFIELD CONNECTS	3	nominal	nominal
PERSONNEL			
VENTURE HOUSE			
	Total Hours	47 hours 30 mins (11 hours excluding the Corporate Debt Team)	

### Recovery of unpaid debts after 30 days

The questionnaire has highlighted that there is no consistent approach to the recovery of unpaid debts across each department.

Building Control, Burntwood Leisure, Community and Partnerships, Licensing, Friary Grange, Housing Services, King Edwards, Operational Services, Parks and Visit Lichfield will send a further letter after a reminder notice has been issued before any further action is being taken.

Chief Executive, ICT and the Old Mining College will initially phone after a reminder notice has been issued and before taking further action.

In Operational Services (Street Scene) if the debt is under £500, very little is done to pursue the debt as it is deemed low in value. Reminders for Schools will be held back as they will pay eventually and are sometimes issued invoices prior to the 6 weeks annual holidays.

In Operation Services (joint waste service) the majority of invoices raised are in advance of any service being provided (cess pits and trade waste) therefore any unpaid invoices will result in the removal of the service.

In Leisure, in some instances, the service will be withdrawn until payment of invoices have been received (pitch hire).

The questionnaire highlighted that Communications and some areas of Leisure, no recovery is undertaken due to an unawareness that they should pursue any unpaid invoices in the first instance. It has also highlighted that in some areas, due to the relationships they have with regular customers or the type of customer, there is a reluctance to pursue a debt promptly once it has become overdue after 30 days.

One user checks the reminder notices before issuing to see if they have paid, however, reminders are printed daily after the posting of cash and this could be seen as a waste of time and resource.

Building Control, Friary Grange, King Edward and Operation Services were identified as having their own departmental written procedures in respect of the issuing invoices and the recovery of unpaid invoices. These have not been seen.

The teams that do actively pursue unpaid invoices will ultimately pass the debt to the Corporate Debt Recovery Team for further action to be taken. This is seen as a last resort by many teams.

Across the authority, excluding the time spend by the Corporate Debt Recovery Team, a total of 11 hours and 30 minutes is spent on the recovery of unpaid debts. This is a extremely small proportion of time in relation to the debt raised.

Invoices outstanding for Revenues and Benefits, Environmental Health (Street Trading) and Democratic and Legal are solely pursued by the Corporate Debt Recovery Team.

## Detailed Project Plan

Task	Assigned to	Complete	Jul	Aug	Sep	Oct	Jan
<u>Identify the purpose of the service</u>							
Initial Briefing of the Corporate Debt Team on the Service Review	NB	100%					
Identify the objectives of the Corporate Debt Team	JK/NB/PL/AT	100%					
Compile a questionnaire relating to Sundry Debt Collection in Service Areas	NB	100%					
Identify current targets for Debt Collection	NB/PL/AT	100%					
Document current processes for Council Tax, Business Rates, Sundry Debt Collection and Housing Benefit Overpayments	NB/AT	100%					
Identify the costs of the Corporate Debt Team	NB/PL/AT	100%					
Identify the level of debt collected and managed by the Corporate Debt Team	NB/PL/AT	100%					
Identify current performance information for Council Tax	NB/PL/AT	100%					
Identify current performance information for Business Rates	NB/PL/AT	100%					
Identify current performance information for Sundry Income Collection	NB/PL/AT	100%					
Identify current performance information for Housing Benefit Overpayments	NB/PL/AT	100%					
Meet with each Service Team to complete the questionnaire	NB	100%					
Using the results from the questionnaire, identify the resources assigned in each Service Area to support Sundry Debt Collection	NB/PL/AT	100%					
<u>Analyse the Needs of Service Users</u>							
Undertake site visits to or teleconferences with other Authorities in relation to the management of corporate debt	NB	100%					
Identify good practice applied in other Authorities and Sectors	NB	50%					
Analyse the results of the questionnaire	NB	100%					
Identify any Service Team targets and requirements related to Sundry Income Collection	NB	100%					
<u>Identify the Options Available to meet the Need</u>							
Identify Options available to meet needs and objectives	JK/PL/NB/AT	0%					
<u>Identify the Best / Preferred Option</u>							
Undertake an Option Appraisal to identify the preferred Option	NB/PL/AT	0%					
<u>Challenge the Preferred Option</u>	RK	0%					
<u>Compile the Report</u>	NB/PL/AT	0%					
Report to Leadership Team	NB/PL/AT	0%					
Report to Strategic (Overview and Scrutiny) Committee	JK/NB/PL/AT	0%					
<u>Key:</u>							
JK = Jane Kitchen, PL = Pat Leybourne, NB = Nikki Begley, AT = Anthony Thomas, RK = Richard King							