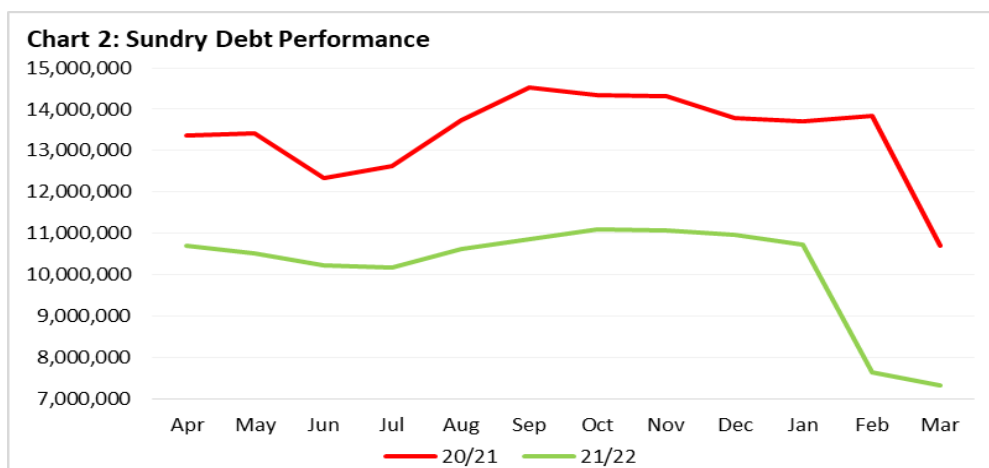


Appendix D – Debt and Payment Performance Monitoring

- 1.1. The outturn for prompt payment of invoices based on all payments made (using invoice date) showed that 92.9% were paid within 30 days in 2021/22. This is an increase of 6.7% compared with in 2020/21. This increase was due (in part) to the large number of covid related payments that were made as a priority. During 2021/22, the Accounts Payable team continued to process significant volumes of Covid related support payments covering Test and Trace, Business Rates (ARG, restart and OHLG grants), as well as Adult Social Care related payments for care homes (infection control, workforce retention, omicron and vaccine/rapid testing related). The performance for 2021/22 is shown alongside the equivalent performance for 2020/21 in Chart 1.
- 1.2. During 2021/22 new reports have been developed to highlight the number of payments which are outside of the council's 'no PO, no pay' governance policy and to further drive financial compliance. This is alongside further system workflow changes/improvements. An automation project is in progress so that energy related payments can be made to those in Council Tax bands A-D in May 22 (as per the Chancellor's budget), and discussions have started around how payments to people supporting Ukrainian refugees can be urgently processed. The Accounts Payable team continue to work closely with all key stakeholders to ensure suppliers are paid quickly.
- 1.3. In 2021/22 a total of 83,858 payments were made (an increase of 8,550 from 2020/21,) of which 80,861 were paid within 30 days
- 1.4. The total value of payments made in 2021/22 was £372.6m (up by £58.7m). Of these:
 - £372.2m (99.9%) was paid out electronically to suppliers via either BACS or CHAPS
 - £0.4m (0.1%) was paid by cheque (292 cheques), 24 more than in 2020/21

2. Sundry Debt Performance

- 2.1. The total outstanding sundry debt on 31 March 2022 was £20.6m, which is a reduction of £1.2m in comparison to the previous year (£21.8m at 31 March 2021). As part of this total, £7.3m accounted



for debt aged over 6 months old and this is set out in Chart 2 alongside the comparative figures for 2020/21.

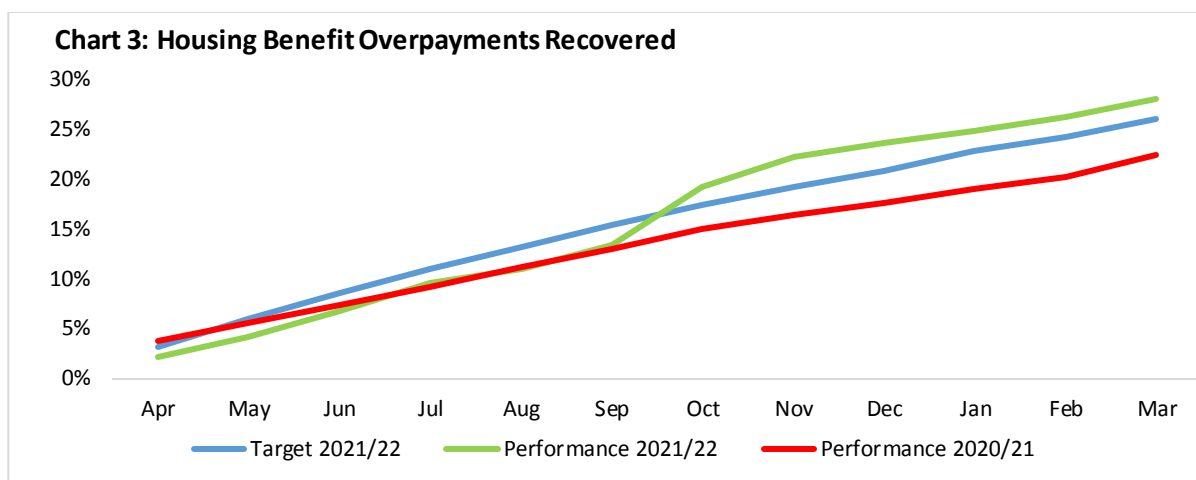
- 2.2. The £7.3m debt over 6 months old is down by £3.4m from last year. Of this balance, £4.6m (63%) relates to debt outstanding from NHS organisations and the Clinical Commissioning Group (CCG). It should be noted that £1.1m of NHS/CCG payments are unallocated and have not been included within the figure quoted due to the poor quality of information on remittances that the CCG submit and ongoing disputes. PCC finance/ AR team are working with the CCG to resolve this.
- 2.3. During 2021/22 a new (overarching) sundry debt policy document has been agreed and published on InSite. Alongside this, new "real time" reports for budget managers are continually being developed.

These will give better visibility over specific debts and the recovery stage that an individual debt is at. Additional controls at the billing stage to improve accuracy for invoices and ensure evidence is strong to support latter stage recovery action continues.

- 2.4. In 2021/22 invoices totalling £62.0m were raised, with a total of £63.5m being collected against the total outstanding debt (across all years). Serco have been carrying out two projects to recover aged debts, and during 2021/22 a total of £29k has been collected.

3. Housing Benefit Overpayments

- 3.1. Chart 3 shows the total amount of housing benefit overpayments recovered against the cumulative target rate set for 2021/22 and the 2020/21 performance.



- 3.2. Housing benefit overpayment collection as at the 31 March 22 was 28.05%, which is above the target of 26.0% and 5.66% higher than the figure for March 2021 (22.39%). The amount of debt carried forward from 2020/21 was c£5.5m and the amount of newly identified debt in 2021/22 was c£1.6m, which remains significantly lower than historical levels. As a result, the age profile of the debt continues to get older.

- 3.3. The value of debt collected as a percentage of new debt raised continues to remain above 100% (at 120% in 2021/22), meaning the amount of overall debt continues to reduce.

- 3.4. Overall overpayments remain low for a number of reasons, including:

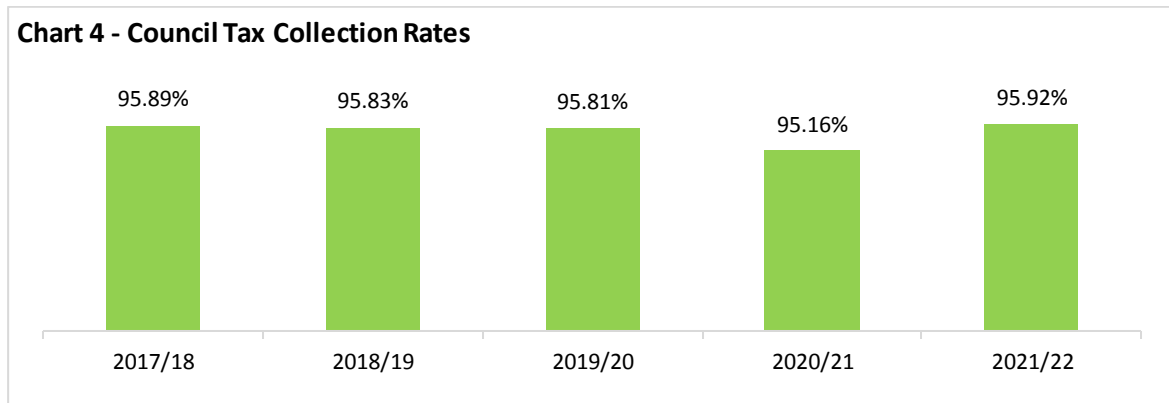
- 3.4.1. Universal credit migration continues to reduce the caseload of Housing Benefit claims. The reduction in claim numbers ultimately leads to a reduction in identification of new debt, and this is of overall benefit to the Council, but this does mean the achievement of the KPI becomes increasingly difficult due to the way it is measured.
- 3.4.2. Benefits processing remains significantly more up to date than it has been historically, leading to fewer overpayments caused by delays in processing.
- 3.4.3. Increased data matching of earnings and other changes with DWP and HMRC has led to claims being more promptly updated when changes occur.

- 3.5. While the age profile of the debt is making achievement of the KPI increasingly difficult, the actual underlying levels of outstanding debt are continuing to decrease after several years of increases. The carried forward debt in to 2022/23 has reduced to c£5m.

4. Council Tax and Non-Domestic Rates Collection

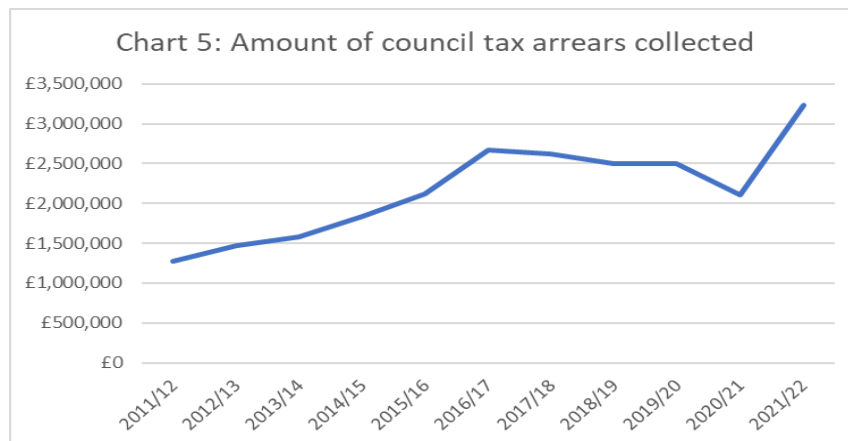
Council Tax

4.1. Chart 4 shows the performance in respect of Council Tax collection over the last 5 years, which outlines a very steady trend. Although the in-year collection rate for 2020/21 reduced by 0.65% in comparison to 2019/20, this position is much improved for 2021/22, exceeding the target of 95.8% by 0.12%.

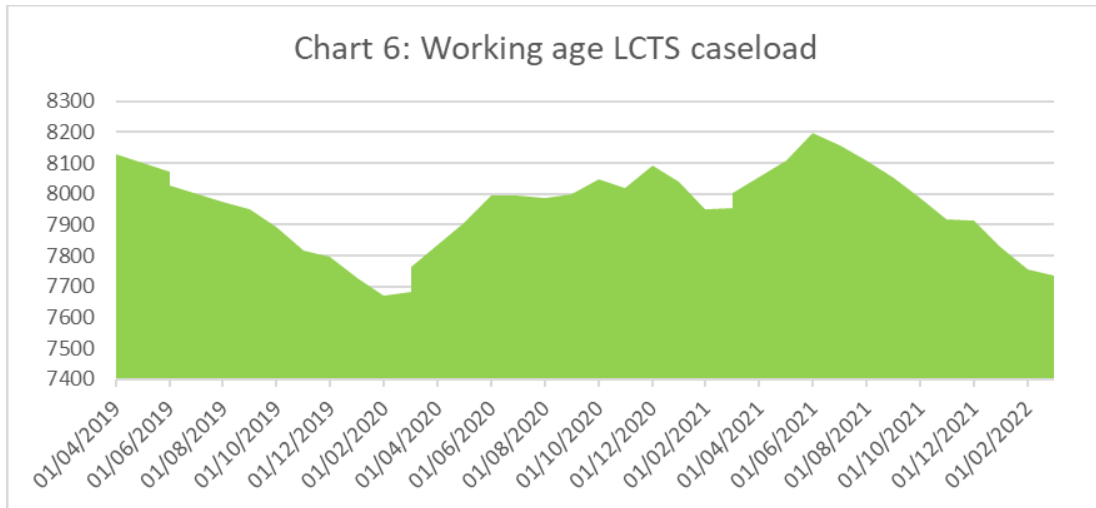


4.2. Following the delays in recovery in 2020/21 due to the impacts of covid-19, normal recovery resumed in 2021/22. The service took the opportunity to review recovery processes during this time and as a result has streamlined some of the latter stage recovery action. Despite the impacts of covid on the economy, collection rates have actually increased from pre-covid levels.

4.3. Prior years (arrears) debt collection also showed significant improvements, with collection of 17.82% against a target of 14.31%, with over £3m of arrears collected.

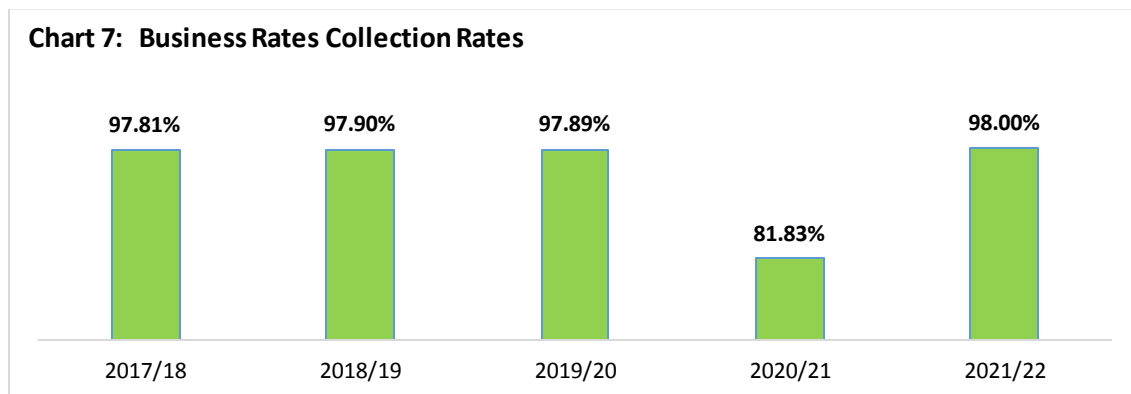


4.4. The previous year saw a steady rise in the working age Local council Tax Support (LCTS) caseload. At the start of the pandemic, the increase was sharp in line with the rise in unemployment, lockdown and the introduction of furlough. During 2021/22 the caseload started to reduce and is now only just above pre-pandemic levels. Chart 6 outlines the trend throughout the last three years.



Non-Domestic Rates

4.5. Chart 7 shows the performance for the collection of Non-Domestic Rates (NNDR) over the last 5 years. This usually remains steady at around 97.85%, however Covid-19 significantly impacted the collection of NNDR income during 2020/21, with the collection rate reducing by 16.06% compared to the level achieved in 2019/20 (in monetary terms this equated to £11.5m of uncollected NNDR income). For 2021/22, collection of NDR income rebounded significantly, exceeding the target of 97.8% by 0.2% with an overall collection of 98.0%, achieving the best collection rate in over 10 years.



4.6. Non-Domestic Rates recovery action was put on hold during the early part of the pandemic and the resulting financial situation many businesses faced. This significantly contributed to the collection rate of 81.83% in 2020/21. However, once recovery restarted in February 2021 with soft reminders and targeted calls and due to the challenges of debt collection last year, a more robust approach was taken to recover the 2020/21 arrears that were owed. This approach has had positive results with 2020/21 debt reducing by 83%, from £11.5m down to £1.9m, and reducing the number of businesses in debt in this period from 1,068 down to 274.

4.7. Business Rates relief for Retail, Hospitality and Leisure continued in 2021/22, with an initial 3-month period of 100% relief, following by 9 months of 66% relief. In addition to this, a new relief for those not covered by the above Retail scheme was available from February 2022 – called the Covid Additional Relief Fund (CARF).

4.8. Temporary staff continued to be employed throughout 2021/22 to help maximise recovery as well as additional permanent staff being recruited into the service. Additional staffing resource will continue in 2022/23 to allow additional ongoing recovery action for the remaining prior year arrears.

5. Covid-19 Grant Administration

Business Rate Relief and Grants

5.1. Following the award of £90m of grants and reliefs to businesses in 2020/21 further schemes were announced in 2021/22 to provide additional support to those continuing to be affected by the impacts of covid-19.

5.2. The various grants schemes and reliefs awarded to businesses throughout 2021/22, include:

5.2.1. Lockdown Grants: A further £2.2m was paid in grants for applications relating to the November 2020 to March 2021 lockdown period.

5.2.2. Restart Grant: £7.2m administered from April - July 2021 and awarded under 2 different schemes and supporting 927 local businesses.

5.2.3. Additional Restrictions Grants: this is a continuation of the scheme that started in December 2020. Prompt allocation of funding in April – June 2021 resulted in the council being awarded a further £1.4m of support in July 2021. This was followed by an additional £0.3m in December due to the impacts of Omicron. In total, a further £5m in support was provided under this scheme in 2021/22, bringing ARG funding to £7.6m.

5.2.4. Omicron Grant – support for the Hospitality and Leisure sector, resulting in 286 awards totalling £1m.

5.2.5. Extended Rate Relief and Nursery Discount: a further £16.6m of relief was awarded under the amended schemes for 2021/22.

5.2.6. Covid Additional Relief Fund (CARF): £0.9m of relief was awarded to those businesses not eligible under the Retail Relief and Nursery schemes.

This brings the total level of grants and rate relief to £33m for the year and total covid-19 related funding since March 2020 to over £123m.

5.3. The Council is continuing to administer relief schemes in 2022/23. The Retail Relief scheme continues in 2022/23 at a lower rate of 50% and there remains £4.8m of CARF to distribute to eligible businesses.

Test and Trace Self Isolation payments

5.4. In addition to business grants and reliefs the team administered the government Test and Trace isolation payments. The scheme opened in September 2020 and closed for new isolation cases in February 2022. In total 13,391 claims have been made, resulting in 6,845 payments and £3.4m being awarded to individuals to assist them to self-isolate.

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