

Appendix D – Debt and Payment Performance Monitoring

Payments

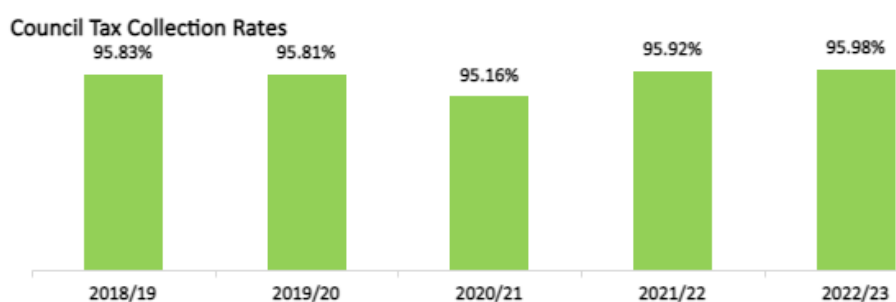
- 1.1. The outturn for prompt payment of invoices showed that 94.9% were paid within 30 days in 2022/23. (94.4% 2021/22) For the previous year this figure was 94.4%.
- 1.2. The total value of payments made by the AP team during 2022/23 was £363.5m (£372.6m 2021/22), with all but £0.03m of this being paid electronically via BACS or CHAPS.
- 1.3. During 2022/23 a total of 132,231 payments were made to commercial and non-commercial suppliers (an increase of 51,155 from 2021/22). This increase is largely explained by the number of payments made for the Energy Payments Scheme, distributing the £0.5m of Market Sustainability Fund (Adult Social Care related), £0.3m to the hosts of Ukrainian families and £1m, for the Energy Bills Support Scheme (EBSS).

Sundry Debt

- 1.4. The total sundry debt outstanding was £24m at the end of 2022/23 (£20.6m, 2021/22). This includes £7.7m of aged debt (over 6 months old), of which £5.7m (74%) relates to debt outstanding from NHS organisations and the Clinical Commissioning Group (now the Integrated Care Board). In 2022/23, invoices totalling £88.3m were raised, with a total of £86.9m being collected against the total outstanding debt in year (and across all years).
- 1.5. Work continues on streamlining the sundry debt process. This work includes the development of “real time” reports for budget managers and building in additional controls at the billing stage to improve invoice accuracy and ensure evidence is strong to support latter stage recovery action continues. Wilkin and Chapman, are being used to advise and act on behalf of the Council where action is required in relation to outstanding debt.

Council Tax

- 1.6. The following chart shows the performance in respect of Council Tax collection over the last 5 years, which outlines a very steady trend, with a temporary reducing during the 1st year of the pandemic. During 2022/23 performance exceeded target by 0.18%. Despite the impact of the pandemic on the economy, and following that, the cost of living crisis, collection rates have improved.



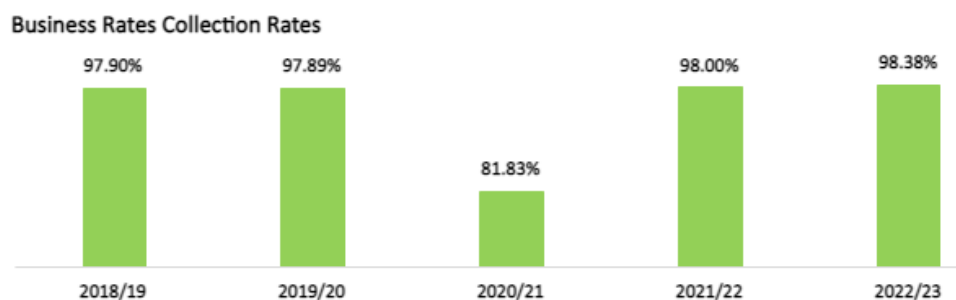
- 1.7. Prior years (arrears) debt collection also showed significant improvements, with collection of 18.0% against a target of 14.31%, with over £3m of arrears collected.
- 1.8. During 2020/21 and into early 2021/22 there was a rise in Local Council Tax Support (LCTS) caseload. But caseloads have now been reducing steadily and is now well below pre-pandemic levels, as outlined in the following chart:



1.9. 76,800 households in band A-D were awarded a payment (either by BACS or as a credit on their council tax account) of £150 under the government's Council Tax Rebate scheme. A further 7,600 discretionary payments were awarded, primarily supporting those on the lowest incomes. In total £11.9m was distributed across Peterborough.

Non-Domestic Rates (NNDR) & Business Reliefs

1.10. The following chart outlines the 5 year collection performance for NNDR with a notable reduction in 2020/21 when the pandemic significantly impacted the collection of NNDR. For 2022/23, collection of NNDR has been at its highest level in over 10 years at 98.38%. This is despite the prevailing economic climate and challenging operating conditions currently being faced by local businesses.



1.11. NNDR recovery action was put on hold during the early part of the pandemic. However, once recovery restarted in early 2021 a more robust approach was taken to recover the 2020/21 outstanding arrears. This approach successfully collected 83% of the £11.5m outstanding balance, taking it down to £1.9m at the end of 2021/22, with continued action during 2022/23 taking this figure down to £0.8m.

1.12. Business Rates relief for Retail, Hospitality and Leisure continued in 2022/23, although this was reduced to 50%, down from 66%. In addition to this, the Covid Additional Relief Fund (CARF) continued in 2022/23 and all £5.7m of government funding was allocated to businesses in Peterborough.

1.13. 2022/23 also saw the start of the Business Improvement District in the city centre. 431 businesses were billed based on their Rateable Value, with the gross charge raised being £0.462m. A total of £0.402m (94.28 %) was collected.