BOLSOVER DISTRICT COUNCIL

Meeting of the Executive on 27th July 2026

Corporate Debt - 2025/26

Report of the Portfolio Holder for Resources

Classification	This report is Public.
Contact Officer	Strategic Director of Finance and Section 151 Officer
Is this a Key Decision?	**Yes☐ No ☒**

PURPOSE/SUMMARY OF REPORT

To present to Executive a summary of the corporate debt position at 31 March 2026.

REPORT DETAILS

1. Background

1.1 The main sources of income for the Council's General Fund are business rates, council tax, a small number of government grants, and service-related income. The main source of income for the Council's Housing Revenue Account is dwelling rent, often referred to as 'housing rents'. Government grants are paid over to us on agreed dates direct into our bank account so there is no need to include them on any of our debtor systems. For most other sources of income, we have to request the income due to us.

1.2 We request the income due to us on the relevant system by raising bills for business rates, council tax, and housing rents. There is legislation in place for each of these sources which determines the rules of collecting this income.

1.3 For service-related income, invoices are raised on the sundry debtor system which is a module of our Civica Financial Management System. Examples of types of income include housing benefit overpayment, trade refuse, industrial unit rent, garage site rent, wardens service and alarms, and hire of leisure facilities. This income is reported in two amounts with housing benefit overpayments identified separately from the rest.

1.4 The following table shows the sources of income for Bolsover District Council as at 31st of March 2026 and 2025 for comparison:

Table 1 – Sources of Income

	2024/25	2025/26		
position at end of	Q4	Q4	variance	
	£'000	£'000	£'000	
NNDR	(35,770)	(37,653)	(1,883)	*
Council tax	(54,667)	(58,229)	(3,562)	**
Housing Rents	(25,027)	(25,685)	(658)	
Overpaid housing benefits	(1,139)	(1,059)	80	
Sundry Debtors	(14,428)	(8,508)	5,920	
	(131,031)	(131,134)	(103)	

* This is 100%, our share of this is 40%

** This is 100%, our share of this is 17.62% 24/25 + 17.32% 25/26

1.5 (* and **) these debts are part of the collection fund and are shared with major preceptors including the County, police, and fire. Only a percentage of these debts belong to Bolsover District Council.

1.6 The figures in **table 1** show an increase in income billed in the year for business rates, council tax, and housing rents, as would be expected with an annual increase usually applied to these sources of income. The small reduction in income from housing benefit overpayments is good news, as it means less claimants have received too much benefit, so we've therefore had less income to reclaim. The decrease in the sundry debtor income is due mainly to the reduction in Dragonfly invoices raised in quarter four, as the staff and services returned to the Council.

1.7 Debtors of a Local Authority are extremely sensitive to change. If a tenant/taxpayer's circumstances change it can become difficult for them to keep paying their rent or council tax. Informing us of a change in personal circumstances late can mean more benefit is paid than they are entitled to which can mean they become benefit overpayment debtors.

1.8 Circumstances can change quickly, and mean debtors fall into arrears. It is common for Local Authority's to have arrears balances due to the vulnerable nature of some of its debtors. Debt management is how the Council manages its arrears and debtors. The following table shows the level of arrears for Bolsover District Council at 31st of March for the last two financial years. This information is published in the Council's Statement of Accounts document each year.

Table 2 – Level of Arrears

	2024/25	2025/26		
position at end of	Q4	Q4	variance	
	£	£	£	
NNDR	1,298,027	1,021,577	(276,450)	*
Council tax	5,931,170	6,070,885	139,715	**
Housing Rents	1,669,853	1,573,169	(96,684)	
Overpaid housing benefits	1,153,141	1,057,461	(95,680)	
Sundry Debtors	1,135,776	559,741	(576,035)	
	11,187,967	10,282,833	(905,134)	

1.9 As you can see from **table 2**, arrears have decreased in 2025/26 for all income sources apart from council tax; individuals are still struggling to pay, depending on their individual circumstances. As always, payment plans have been agreed to help debtors not get into arrears if possible. The current levels of arrears for council tax are the highest they've been in recent years. Sundry debtor arrears fluctuate depending on if large invoices are raised close to the 31st of March but aren't paid until April.

1.10 Part of managing the debt is assessing the likelihood of future non-collection. At each year end, an estimate of non-collection is made based on historic payment information for the same class of debt. An amount equal to the non-collection is charged against our revenue account and saved in a provision for future use. The provision is often referred to as the bad debt provision, but its proper name is the impairment allowance. It is considered prudent to not include all the income in the revenue accounts in a year when there is a chance it won't all be collected.

1.11 As part of year end work the impairment allowance for each class of debt is reviewed, compared against latest arrears balances to ensure it still covers the amount of non-collection in case we have to write-off debts, and either increased or decreased, whichever is appropriate.

1.12 From the following table which shows the provision for impairment for each class of debtor at 31 March for the last two financial years, you can see that we were able to reduce the impairment provision for all but council tax this year. This means the reductions will be transferred to our revenue accounts as part of calculating the outturn.

Table 3 – Impairment Allowances

	2024/25	2025/26		
position at end of	Q4	Q4	variance	
	£	£	£	
NNDR	(1,252,282)	(1,000,490)	251,792	*
Council tax	(3,467,101)	(3,612,434)	(145,333)	**
Housing Rents	(1,322,045)	(1,285,560)	36,485	
Overpaid housing benefits	(1,132,913)	(1,033,816)	99,097	
Sundry Debtors	(504,914)	(329,392)	175,522	
	(7,679,255)	(7,261,692)	417,563	

1.13 As mentioned earlier, there is legislation that governs the collection of business rates, council tax, and housing rents. As a Local Authority it is necessary to have a debt collection process that adheres to legislation but ensures the maximum amount of income is collected.

1.14 Our debt collection processes have been operating as normal for the last 4 years, but it is clear that the pandemic and cost of living influenced business and individuals' ability to pay, as the arrears levels still demonstrate. Staff continue to contact debtors to help them settle their debts by providing reminders and setting up payment plans, we will continue to provide the payment plan facility for debtors to help where we can and carry out recovery action, as necessary.

1.15 For 2025/26, indicators for debt collection were monitored and reported at the quarterly performance meetings where any areas of concern were raised. Targets for collecting income and reducing arrears for each class of debt are set and monitored. The performance data on debt collection is also reported quarterly to Executive for information where any areas of concern are raised/discussed.

1.16 The following table shows for 2025/26 the movement since the last financial year in the value of each source of income, the amount that is outstanding as arrears and the impairment allowance which relates to that source of income.

Table 4 – Summary for 2025/26

	Income	Arrears	Provision	
	£	£	£	
NNDR	(1,883,000)	(276,450)	251,792	*
Council tax	(3,562,000)	139,715	(145,333)	**
Housing Rents	(658,000)	(96,684)	36,485	
Overpaid housing benefits	80,000	(95,680)	99,097	
Sundry Debtors	5,920,000	(576,035)	175,522	
Totals	(103,000)	(905,134)	417,563	

1.17 Overall, in 2025/26 we have raised on our systems £0.103m (net) more in income. Our arrears have decreased by £0.905m, and we have reduced the impairment allowances by £0.418m (net), returning our share back to the Council's revenue accounts.

1.18 International Financial Reporting Standard (IFRS) 9 – Financial Instruments, requires the Council to write-off debt as soon as it is deemed uncollectable. This is to ensure the correct value of arrears is included on the Council's balance sheet at 31st of March each year.

1.19 The Council's Constitution allows the Strategic Director of Finance & Section 151 Officer, 'after consultation with the relevant Portfolio Holder, to authorise the write-off of bad debts up to an approval limit of £2,500.'

1.20 The Executive approves the write-off of bad debts which are individually over £2,500 on receipt of a report, during the year. **Table 5** below, shows the value of bad debts written off over the last financial year (2025/26). In all cases, every attempt was made by the Council and agencies working with the Council, to collect the outstanding debt before write-off was proposed.

1.21 Should any chance to collect the debt occur in the future, the debts can be written back on to the relevant system. Writing-off amounts which are no longer collectable is an essential part of the debt management process. It ensures that a focus is maintained on those amounts which are collectable, thus maximising overall levels of collection.

Table 5 – Debts written-off during 2025/26

-	Write-offs more than £2,500 25/26 £	Write-offs less than £2,500 25/26 £	Total 25/26 £
Business Rates	34,818	17,493	52,311
Council Tax	171,255	256,639	427,894
Housing Rents	7,835	37,818	45,653
Overpaid Housing Benefit	0	7,343	7,343
Sundry Debtors	22,663	7,859	30,522
Total	236,571	327,152	563,723

1.22 Compared to last year, we have written off £0.101m more during 2025/26, this is mainly for council tax debt and sundry debtors. The council tax debt is proving more difficult to collect as some individuals change location and country more so now, than they did a few years ago, making them harder to trace. The sundry debtors write-off more than £2,500, related to one company's debt which had to be written off.

2. Reasons for Recommendation

2.1 To ensure that Executive are informed of the latest position concerning the Council's debt.

3 Alternative Options and Reasons for Rejection

3.1 This report is for information only.

RECOMMENDATION(S)

That Executive notes the report concerning the Council's Corporate Debt as at 31 March 2026.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS

A. Finance and Risk Yes☒ No ☐
Details: The current position regarding corporate debt is given throughout the report. Failure to collect this debt would have a detrimental impact on the Council's financial position if sufficient impairment allowances were not in place. **On behalf of the Section Officer**

B. Legal (including Data Protection) Yes☐ No ☒
Details: There are no legal or data protection issues arising directly from this report. **On behalf of the Solicitor to the Council**

C. Staffing Yes☐ No ☒
Details: There are no human resource issues arising directly out of this report. **On behalf of the Head of Paid Service**

D. Local Government Reorganisation (LGR) Yes☐ No ☒
Please identify (if applicable) how you have considered LGR impact in relation to this item. **Details:** This report is a factual report for information and doesn't have any direct LGR implications.

E. Environment Yes☐ No ☒
Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment. **Details:** Not applicable to this report.

F. Equality and Diversity Yes☐ No ☒	
Have you considered equality impacts in relation to the topic of this report? **If this is a new or refresh of a policy, guidance or plan, have you carried out an EIA?**	**Yes☐ No ☒** **Yes☐ No ☒**

DECISION INFORMATION

G. Is the decision a Key Decision?	Yes☐ No ☒
A Key Decision is an Executive decision which has a significant impact on two or more wards in the District, or which results in income or expenditure to the Council above the below thresholds: -	

☒ ***If the decision is a key decision, please indicate which threshold applies:*** **Revenue (a)** Results in the Council making Revenue Savings of £75,000 or more or **(b)** Results in the Council incurring Revenue Expenditure of £75,000 or more. **Capital (a)** Results in the Council making Capital Income of £150,000 or more or **(b)** Results in the Council incurring Capital Expenditure of £150,000 or more.	 **(a)** ☐ **(b)** ☐ **(a)** ☐ **(b)** ☐

District Wards Significantly Affected: *(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)* Please state which wards are affected or tick **All** if all wards are affected.	**All** ☐ **Wards:**

All key decisions are subject to Scrutiny call-in unless the call-in period is to be waived, however, exemption from call-in is only with the agreement of the Monitoring Officer. **Is this Key Decision subject to Scrutiny Call-In? *(leave blank if not a key decision)*** **If No, has the Monitoring Officer agreed?**	 **Yes**☐ **No** ☐ **Yes**☐

Consultation carried out: *(this is any consultation carried out prior to the report being presented for approval)* **Leader** ☐ **Deputy Leader** ☐ **Executive** ☐ **SLT** ☐ **Relevant Service Manager** ☐ **Members** ☐ **Public** ☐ **Other** ☐ **Details:** -	**Yes**☐ **No** ☐

Links to Council Ambition: Customers, Economy, Environment, Housing

DOCUMENT INFORMATION

Appendix No	Title

Background Papers
(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).