

## CLIENT PROPERTY ACCOUNT (COMMUNITY, EDUCATION, ECONOMY AND LEARNING AND ENVIRONMENT) – OUTSTANDING DEBT

### Not for Publication by Virtue of Paragraph 7 (Financial Information) of Part 1 of Schedule 12A of the Local Government Act 1972

Accountable Officer: M Jones (Head of Legal and Property Services)

Authors: B Winter (Estates Technician) – MK252332

P Smettem (Senior Surveyor (Client)) – MK252334

#### 1. Purpose

- 1.1 To report on performance in terms of collecting rent and service charge income from properties held by the various Committees other than Corporate Property Account and Housing Revenue Account.
- 1.2 This report will be submitted to each Committee. The objective is to monitor trends.

#### 2. Summary

- 2.1 The percentage of outstanding debt based on interrogation of the Recurring Charges System as at 9 March 2000 was 16.1%. For the preceding quarter the debt was 29.1%. The figures are still being significantly affected by a debt due from English Partnerships for MK Bus Station and where the quantum is now agreed at £111,601 and which will be paid on 16 March 2000. On payment of this debt the arrears will drop to £17,132, which equates to 2.1%.

The payment of £111,601 was received on 14 March 2000.

A detailed summary of outstanding debt is attached as an **Annex** to this report.

#### 3. Action by Property Service

- 3.1 The approach outlined in previous reports will continue. This means continuing to be proactive and tackling debts firmly and sensitively. Tenants are being encouraged to discuss real payment difficulties with the Management Surveyors.
- 3.2 Tenants are being charged interest on late rent and service charge payments where this is permitted under the lease.
- 3.3 Bailiffs have been used to levy distress and the Legal Section will be instructed to start court proceedings if necessary.

#### 4. **Background**

- 4.1 This is the fourth report on outstanding debt for Community, Education, Economy and Learning and Environment Committee properties.
- 4.2 The total debt has decreased from that reported to the last Policy and Resources Committee from £232,660 to £128,733. The reduction in the debt has been due to a recalculation of that due from English Partnerships in respect of MK Bus Station, (agreed quantum of £111,601 against £193,380 demanded). Additionally the debt shown for Woughton on the Green (£27,520) has been cleared in its entirety.
- 4.3 It was reported to the Policy and Resources Committee on 15 February 2000 that a debt had been identified in respect of MK Bus Station and including interest £193,380 was demanded from English Partnerships. It was stated in the report that the calculations have been extremely complex and it anticipated that no monies had been paid by English Partnerships to Buckinghamshire County Council. Discussions with English Partnerships show that they had made some payments to Buckinghamshire County Council up to the middle of 1996 when payments inexplicably ceased. The recalculation of the rent owing plus interest shows an outstanding debt of £111,601 and which English Partnerships have agreed to clear on 16 March 2000.
- 4.4 Regarding the debts at Woughton Sports Ground the debt has been cleared in its entirety.
- 4.5 Regarding the debt at Weston Road Olney (£5,000) Carter Jonas are to report in the next week on the value of the land taking into account the Countryside Stewardship Scheme. A meeting will be held with the tenant once rental figures have been established.
- 4.6 Unit 15 and 16 Green Farm (£3117.18): the tenant has been contacted and has agreed verbally to clear the arrears.
- 4.7 17 Green Farm (£2478.18): the tenant has been written to and we are arranging to meet within the next two weeks to ascertain why the arrears have occurred.
- 4.8 Lovat Meadow Caravan Site (£1000): Newport Pagnell Town Council have requested that they make payment in April in view of their budget cycle and this has been agreed.
- 4.9 Emberton Park Sailing Club (£1189): the tenant has been written to and a meeting has been suggested.
- 4.10 3B Home Farm (£1500): the tenant has not responded to letters and the bailiffs will be instructed.
- 4.11 Management Surveyors within the Property Division are monitoring debt effectively as part of their duties. They have discussions with the tenants to ascertain whether they have genuine difficulties and, if so, to work out the best way of dealing with these so that payment of rent and service charge can be

kept up to date. This is working with the majority of tenants and will continue to be carried out.

## 5. **Implications**

### 5.1 Environmental

None.

### 5.2 Equalities

The Council's Equal Opportunities Policy is taken into consideration when dealing with debt recovery matters.

### 5.3 Financial

Improvement in debt recovery will assist the Council's cash position.

### 5.4 Legal

Appropriate legal steps taken where necessary.

### 5.6 Staff and Accommodation

Property Services' commitment to debt recovery and implementation of the approved policy will continue.

## 6. **Conclusion**

The more proactive approach to debt management is showing positive results and will be continued.

Background Papers: None