



SUNDRY DEBTS UPDATE REPORT

**REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE
DIRECTION)**

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To inform members of the position on sundry debts as at 30th November 2013. As agreed with members at the meeting held on 16th September, this information will be provided to this Committee at each meeting.

2. RECOMMENDATION

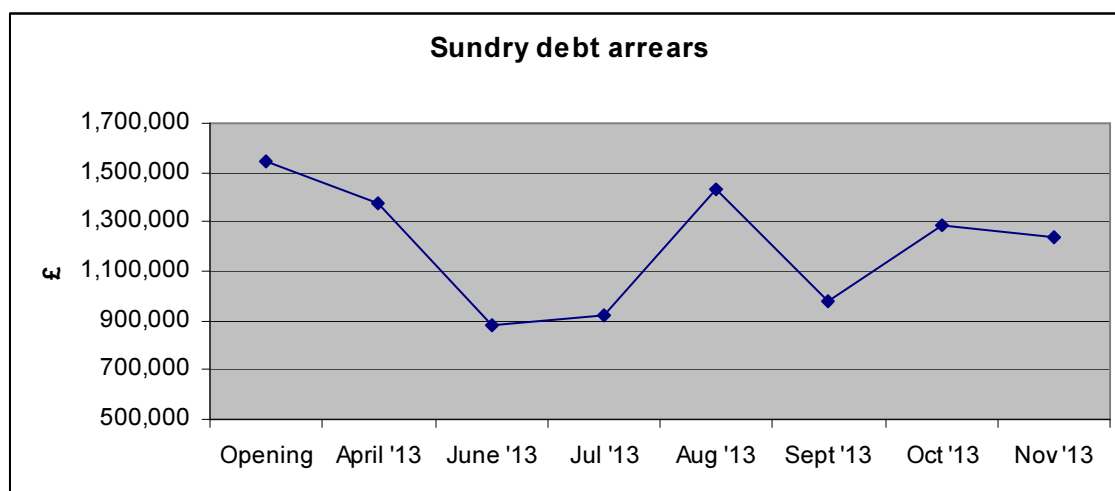
- 2.1 That the committee note the current aged debt position for sundry debts

3. BACKGROUND TO THE REPORT

- 3.1 As 30th November 2013 there were 2072 sundry debt invoices outstanding with a value of £1,240,097 (an average balance of £599). This balance can be broken down by age as follows:

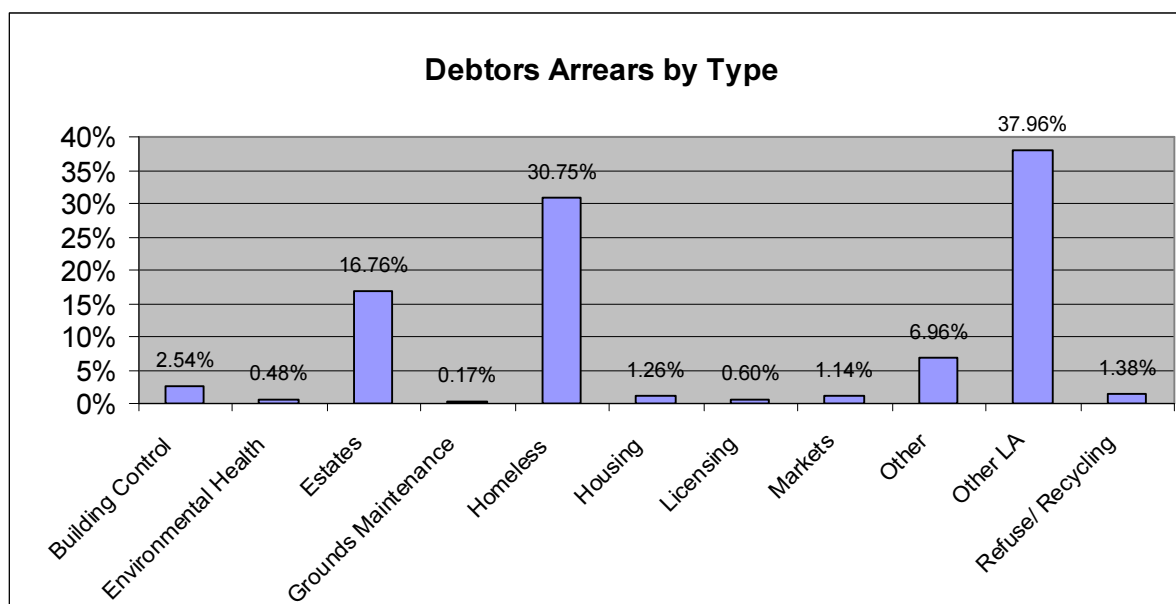
Credits & Refunds	Not Yet Due	< 30 Days	30 - 59 Days	60 - 89 Days	90 - 119 Days	> 120 Days	Total Debt
£	£	£	£	£	£	£	£
-902	22,341	462,486	260,019	85,547	49,467	361,138	1,240,097

- 3.2 The value of aged debt has been mapped month on month during 2013/2014 for information. Whilst the debt has increased since September 2013, this can mainly be attributed to issuing of quarterly invoices for services at the start of October and therefore impacts invoices <30 days.



NB Information was not gathered during May 2013 due to changes in team structure and training.

- 3.3 In order to ensure that the Council adopts a prudent approach to accounting for debt that might not be due, a “provision for doubtful debts” is made against the year end balance. The value of this provision for 2012/2013 was £77,766
- 3.4 The split of the current debt position by types of debt are detailed below. As indicated below, 37.96% of the debt relates to monies due from other Local Authorities. This is mainly in relation to the provision of ICT services through the Steria contract which are paid on a periodic basis. Members should be aware that over £100,000 of this debt has been cleared since 1st December 2013.



4. **FINANCIAL IMPLICATIONS (KP)**

Raised in the body of the report.

5. **LEGAL IMPLICATIONS (AB)**

Debt recovery action will generally be raised as a small claim in the civil courts. Under the Limitation Act 1980 the Council must bring action to recover an aged debt by within six years of the date payment became due.

6. **CORPORATE PLAN IMPLICATIONS**

Sundry Debts contributes to delivery of all Corporate Plan objectives.

7. **CONSULTATION**

None.

8. **RISK IMPLICATIONS**

It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Failure to recover debt owed to the Council	Robust recovery methods and monitoring.	Julie Kenny

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

Any future reviews of the Debt Recovery Strategy will be impact assessed to understand any impacts on our community (ie ability for those on lower incomes to pay)

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Civica Reports

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