

NORTH LANARKSHIRE COUNCIL
REPORT

To: ENVIRONMENTAL SERVICES COMMITTEE	Subject: GENERAL DEBTORS DEBT WRITE-OFF (Ex-Planning & Environment Department)
From: EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES	
Date: 22 AUGUST 2007	Ref: AL

1 INTRODUCTION

- 1.1 The purpose of this report is to present to Committee a formal request for the write-off of external debt which is deemed irrecoverable.

2 BACKGROUND

- 2.1 The annual value of accounts issued by the Ex-Planning & Environment Department for the provision of general services is approximately £2.7m. Continuing development of financial systems and a pro-active approach to debt recovery, has resulted in higher collection rates have been reported in recent years. Inevitably, however there will always be a small element of debt which will prove to be irrecoverable, and the Service has been making a provision within the budget monitoring reports to accommodate such instances.
- 2.2 In line with recognised accounting procedures and best practice, there should be a regular review of balances to eliminate those debts which are clearly irrecoverable, and where full provision has already been made within the accounts of the authority.
- 2.3 Although a debtor balance may be formally written-off every effort will continue to be made to ensure collection.
- 2.4 This report provides details of the ex Planning and Environment Department's debt which is considered to be irrecoverable and therefore submitted for write-off.

3 BAD DEBT WRITE-OFF

- 3.1 An exercise has been undertaken to identify debt which is now considered to be uncollectable. This has identified amounts of less than £250, for which the Executive Director of Finance and Customer Services has delegated powers to write off, amounting to £1,416.37
- 3.2 The total value of accounts greater than £250 amounts to £16,020.04. These sums have already been included in provisions for doubtful debts reported via the budgetary control reports to Committee.

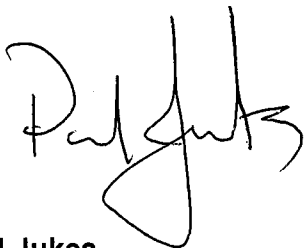
- 3.3 The make-up of the combined total of paragraphs 3.1 and 3.2 proposed for write-off (£17,436.41, as per Appendix 1), is detailed below along with an explanation of the reason for write-off.
- 3.4 Debt of £440.67 relates to customers who are deceased.
- 3.5 Debt of £6,523.84 relates to customers who have gone into liquidation. If any dividend is received in the future it will be used to off-set the write-off.
- 3.6 Debt of £1,205.82 relates to customers who cannot be traced, and for whom the follow up process of issuing reminders, final warnings, legal letters are now exhausted.
- 3.7 Debt of £97.90 relates to small balances being uneconomic to pursue.
- 3.8 Debt of £9,168.18 relates to cases where the legal advice is that no further action is possible, or is prescribed by time limits.
- 3.9 It should be emphasised that records will be maintained of all debt written off to ensure further steps can be taken if the situation arises.

4 COMMENTS

- 4.1 The amounts scheduled for write-off represent cases where the lack of forwarding addresses, disputed responsibilities and the passage of time make it impractical to devote scarce staff resources to further pursuit at this time.

5 RECOMMENDATIONS

- 5.1 That the Committee note that the Executive Director of Finance and Customer Services has used his delegated powers to write-off debts under £250, amounting in total to £1,416.37
- 5.2 The Committee is asked to approve the write-off of items over £250 to the value of £16,020.04 and to pass to the Policy and Resources (Finance and Customer Services) Sub Committee for consideration.



Paul Jukes
Executive Director of Environmental Services

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For further information please contact Alastair Love on 01236 616236.

APPENDIX 1

PLANNING & ENVIRONMENT - WRITE OFF SUMMARY

Cause Analysis	£
Decreased	440.67
Liquidations/Sequestration's etc	6,523.84
Gone Away/No Trace	1,205.82
Small Balances/Uneconomic to Pursue	97.90
Others (no further action possible/prescribed)	9,168.18
Total	17,436.41

Value Analysis	£
< £250	1,416.37
£250 - £1,000	7,593.13
> £1,000	8,426.91
Total	17,436.41