

AGENDA ITEM No. 13

NORTH LANARKSHIRE COUNCIL REPORT

To: Learning & Leisure Services Committee		Subject: SUNDRY DEBT WRITE OFF 2012
From: Head of Resources		
Date: 25 July 2012	Ref: JM/TO'H	

Purpose of Report

This report provides a summary of outstanding debtor accounts relating to Learning & Leisure Services which are deemed not economically viable to continue pursuing and are recommended for formal write off.

Recommendations

The Learning & Leisure Services committee is recommended to;

- (i) note the decision of the Executive Director of Finance and Customer Services under delegated responsibilities to write off a total of £17,242.84 for individual debts under £250; and
- (ii) approve the write off of £14,062.21 which includes individual debts greater than £250; and
- (iii) to refer this report to Policy and Resources (Finance and Customer Services) Sub Committee for consideration.

James McKinstry

Members wishing further information please contact:

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NORTH LANARKSHIRE COUNCIL – LEARNING & LEISURE SERVICES

SUNDRY DEBT WRITE OFF

Report from the Head of Resources

1. INTRODUCTION

- 1.1 This report provides a summary of outstanding debtor accounts relating to Learning & Leisure Services which are deemed not economically viable to continue pursuing. In accordance with financial guidelines a bad debt provision has previously been established for the outstanding accounts highlighted below.

2. BACKGROUND

- 2.1 Learning and Leisure Services provide a range of chargeable services mainly in the following areas:
- letting costs
 - library services
 - recovery of EMA payments
 - secondments
- 2.2 The number of Learning and Leisure invoices raised each year is approximately 15,800 and the value of invoices generated in 2011-2012 was £6,387,900. In conjunction with the corporate debt recovery team, every effort is made to recover unpaid debt including reminder letters, collection agents and legal action.
- 2.3 Despite these steps there are a number of debts that are considered not economically viable to engage further collection activities and costs. This annual process of assessing the likelihood of debt non-recovery conforms to accepted best accounting practice and is a realistic assessment of expected income. Learning & Leisure Services will continue to review the possibility of recovering these outstanding debts, for example where staff are notified of a change in circumstances relating to a debtor.
- 2.4 The tables below categorise the volume of debt recommended for write off by cause and value.

Cause Analysis	£
Deceased	68.40
Liquidations / Sequestrations etc	4,677.45
Gone Away / No Trace	3,949.69
Small Balances/Uneconomic to pursue	13,029.81
Other	9,579.70
Total	£31,305.05

Value Analysis	£
< £250	17,242.84
£250 - £1,000	9,344.26
> £1,000	4,717.95
Total	£31,305.05

3. **FINANCIAL IMPLICATIONS**

- 3.1 There are no additional financial implications for the service linked to this report because a corresponding bad debt provision has been included in previous years annual accounts.

4. **RECOMMENDATIONS**

- 4.1 The Learning & Leisure Services committee is recommended to;
- (i) note the decision of the Executive Director of Finance and Customer Services under delegated responsibilities to write off a total of £17,242.84 for debts under £250; and
 - (ii) approve the write off of £14,062.21 which includes individual debts greater than £250; and
 - (iii) to refer this report to Policy and Resources (Finance and Customer Services) Sub Committee for consideration.