

NORTH LANARKSHIRE COUNCIL

REPORT AGENDA ITEM No 16

To: PLANNING & ENVIRONMENT COMMITTEE	Subject: GENERAL DEBTORS BAD DEBT WRITE-OFFS	
From: DIRECTOR OF PLANNING AND ENVIRONMENT		
Date: 16th November 2005	Ref: DMP/JK/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 uncollectable.

2 Background

- 2.1 The annual value of invoices issued by Planning and Environment Department for the provision of general services is approximately £1.3m.
Due to the efforts of both the development of the new financial system and the pro-active approach to debt recovery 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 uncollectable, and the Department 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 appraisal 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 Planning & Environment Department's debt, which is considered to be uncontrollable 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 un-collectable, including debt under £250 for which the Director of finance has delegated powers amounting to £1,335.21
- 3.2 The value of debt greater than £250 amounts to £19,137.77 and which has already been provided for and 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 (£20,472.98 as per Appendix 1), is detailed below along with an explanation of the reason for write-off.
- 3.4 Debt of £0 relates to deceased customers.
- 3.5 Debt of £13,225.42 for which the follow up process of issuing reminders, final warnings, legal letters and passed to legal are now exhausted.
- 3.6 Debt of £5,912.35 relates to customers who have gone into liquidation. If any dividend is paid out it will be used to offset the write-off.

- 3.7 Debt of £0 relates to small balances being uneconomic to pursue.
- 3.8 It should be emphasised that records will be maintained of all debt written off to ensure further action can be taken if the situation arises.

4 Departmental 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 The committee is note that The Director of Finance has used his delegated powers to write-off debts under £250, amounting in total to £1,335.21.
- 5.2 The Committee is asked to approve the write-off of items over £250 to the value of £19,137.77 and pass to the Policy and Resources (Finance) Sub Committee for consideration.



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DIRECTOR OF PLANNING AND ENVIRONMENT

For further information please contact Alastair Love on 01236 616236.

APPENDIX 1

PLANNING & ENVIRONMENT

Cause Analysis	£
Deceased	0
Liquidations/Sequestrations etc	5,912.35
Gone Away/No Trace	9,250.33
Small Balances/Uneconomic to Pursue	332.01
Others	4,978.29
Total	20,472.98

Value Analysis	£
< £250	1,335.21
£250 - £1,000	7,109.36
> £1,000	12,028.41
Total	20,472.98