

NORTH LANARKSHIRE COUNCIL

REPORT

To: PLANNING & ENVIRONMENT COMMITTEE		Subject: GENERAL DEBTORS BAD DEBT WRITE-OFFS
From: DIRECTOR OF PLANNING AND ENVIRONMENT		
Date: 18 th October 2006	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 Planning and Environment Department for the provision of general services is approximately £0.95m. Due to the development of new financial systems and a 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 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 includes accounts under £250, for which the Director of finance has delegated powers to write off, amounting to £1,515.78
- 3.2 The total value of accounts greater than £250 amounts to £11,088.54. These sum 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 (£12,604.32, as per Appendix 1), is detailed below along with an explanation of the reason for write-off.
- 3.4 Debt of £2,724.17 relates to customers who have gone into liquidation. If any dividend is paid out it will be used to off-set the write-off.
- 3.5 Debt of £9,011.99 relates to customers for whom the follow up process of issuing reminders, final warnings, legal letters and passed to legal are now exhausted.
- 3.6 Debt of £868.16 relates to small balances being uneconomic to pursue.
- 3.7 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 That the committee note that The Director of Finance has used his delegated powers to write-off debts under £250, amounting in total to £1,515.78
- 5.2 The Committee is asked to approve the write-off of items over £250 to the value of £11,088.54 and pass to the Policy and Resources (Finance) Sub Committee for consideration.

C. Morgan

DP

David M. Porch

DIRECTOR OF PLANNING AND ENVIRONMENT

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For further information please contact Alastair Love on 01236 616236.

APPENDIX 1

PLANNING & ENVIRONMENT DEPARTMENT WRITE OFF SUMMARY

Cause Analysis	£
Liquidations/Sequestration's etc	2,724.17
Gone Away/No Trace	9,011.99
Small Balances/Uneconomic to Pursue	868.16
Total	12,604.32

Value Analysis	£
< £250	1,515.78
£250 - £1,000	4,935.65
> £1,000	6,152.89
Total	12,604.32