

# North Lanarkshire Council Report

## Adult Health & Social Care Committee

approval  noting

**Ref** BRM/PMcA/PG

**Date** 29/08/19

## Sundry Debt Write Off 2019

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### Executive Summary

The purpose of this report is to present to Committee a summary of outstanding debtor accounts which are deemed uncollectable following all attempts at recovery or are considered uneconomically viable to continue pursuing. In accordance with financial guidelines a bad debt provision has previously been established for the outstanding accounts highlighted below.

### Recommendations

It is recommended that Committee:

- (1) Notes the decision of the Chief Accountable Officer and the Head of Financial Solutions under delegated responsibilities to write off £14,513.62 for debts under £500;
- (2) Approve the write off of £44,460.91 which includes debts greater than £500;
- (3) Remit this report to Finance & Resources Committee.

### The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (21) Continue to identify and access opportunities to leverage additional resources to support our ambitions

#### 1. Background

- 1.1 During 2018/19 the Council issued invoices with an approximate value of £97m.
- 1.2 Within Social Work there are a number of chargeable services mainly in the following areas:
  - Home Care Charges
  - Nursing Home and Residential Home Accommodation Charges

- 1.3 The value of Social Work invoices raised during 2018/19 was £54m. This figure includes invoices raised to other local authorities, health and justice services (£52m) where a funding contribution is applicable.
- 1.4 In conjunction with the corporate debt recovery team, every effort is made to recover any unpaid debt including reminder letters, the use of collection agents and legal action. However, despite these steps there are a number of debts that are deemed uncollectible or 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.
- 1.5 The Council will continue to seek collection of the outstanding balance if the circumstances of the debtor alter and recovery is deemed practical.

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## 2. Report

- 2.1 Analysis of the outstanding balances has been conducted and £58,974.53 has been identified as uncollectable.
- 2.2 There are a number of reasons why the outstanding balances are being written off and these are summarised below:
- (a) Deceased. The debtor is deceased and there have been insufficient funds within the estate to meet the sum due.
  - (b) Small Balances/Uneconomic to Pursue. There are insufficient funds or no realisable assets that are available to meet the debt and it is uneconomic to continue to seek recovery of the sum due.
  - (c) Recovery exhausted. Despite all efforts the service has now been informed that these accounts will not be recovered.
  - (d) Gone Away. The debtor has changed address and it has not been possible to trace their whereabouts.
- 2.3 The following tables categorise the value of debt recommended for write off by cause and value:

<b>Cause Analysis</b>	<b>No of accounts</b>	<b>£</b>
Deceased	103	44,143.50
Small Balances/Uneconomic to Pursue	17	317.59
Recovery Exhausted	38	14,421.29
Gone Away	1	92.15
<b>Total</b>	<b>159</b>	<b>58,974.53</b>
<b>Value Analysis</b>		
< £500	147	14,513.62
> £500	12	44,460.91
<b>Total</b>	<b>159</b>	<b>58,974.53</b>

- 2.4 The value of accounts identified for write off represents a very small proportion of the accounts raised annually by Social Work. This is reflective of a number of activities aimed at improving collection rates, reducing debt arising and streamlining the recovery process.
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### **3. Equality and Diversity**

#### **3.1 Fairer Scotland Duty**

No Impact.

#### **3.2 Equality Impact Assessment**

No Impact.

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### **4. Implications**

#### **4.1 Financial Impact**

There are no additional financial implications linked to this report for the current financial year because a corresponding bad debt provision has been included in the previous year's annual accounts.

#### **4.2 HR/Policy/Legislative Impact**

No implications.

#### **4.3 Environmental Impact**

No implications.

#### **4.4 Risk Impact**

No implications.

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### **5. Measures of success**

5.1 The Service continues to engage in a number of activities aimed at improving collection rates, reducing debt arising and streamlining the recovery process.

These include:

- Implementation of Debt Recovery Procedures
- Performance Management Reports
- Payment Arrangements
- Payment by Direct Debit

The Council will continue to seek collection of the outstanding balance if the circumstances of the debtor alter and recovery is deemed practical.

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### **6. Supporting documents**

No appendices



**Alison Gordon**  
**Head of Children, Families & Justice**