

North Lanarkshire Council Report

Education and Families Committee

approval noting

Ref DB

Date 17/09/2019

Annual Bad Debt Write Off Exercise

From Derek Brown, Executive Director, Education and Families

Email brownd@northlan.gov.uk

Telephone 01236 812336

Executive Summary

This report provides a summary of outstanding debtor accounts relating to previous financial years which are deemed uncollectible following all attempts at recovery or are not economically viable to continue pursuing. In accordance with financial guidelines a bad debt provision has previously been established for the outstanding accounts highlighted in this report.

Recommendations

It is recommended that the Education and Families Committee:

- (1) Note the decision of the Executive Director (Education and Families) and the Head of Financial Solutions under delegated responsibilities to write off a total of £8,917.58 for debts under £500
- (2) Approve the write off of £600.00 which includes an individual debt greater than £500
- (3) Remit this report to Finance and Resources Committee.

Supporting Documents

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (24) Review and design services around people, communities, and shared resources

1. Background

- 1.1 The Education and Families Service provide a range of chargeable activities predominantly in the following areas:
- Additional nursery hours
 - Music tuition
 - Recovery of EMA payments
- 1.2 The number of Education and Families invoices raised during 2018/19 was 37,930 and the value of invoices generated was £3.205m. 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.
- 1.3 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.
-

2. Report

- 2.1 The tables below categorise the value of debt recommended for write off by cause and value.

Cause Analysis	£
Recovery Exhausted	9,467.47
Gone Away / No Trace	37.50
Small Balances/Uneconomic to pursue	12.61
Total	9,517.58
Value Analysis	£
< £500	8,917.58
> £500	600.00
Total	9,517.58

- 2.2 The Education and Families Service will continue to review the possibility of recovering these outstanding debts, for example, if staff are notified of a change in circumstances relating to a debtor.
-

3. Equality and Diversity

3.1 Fairer Scotland

There are no actions required per the Fairer Scotland duties included in this report.

3.2 Equality Impact Assessment

There are no Equality Impact Assessments required per the content of this report.

4. Implications

4.1 Financial Impact

4.1.1 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 previous year's annual accounts.

4.2 HR/Policy/Legislative Impact

4.2.1 There are no HR/Policy/Legislative impacts linked to the content of this report.

4.3 Risk Impact

4.4.1 There are no significant risks linked to this report.

5. Measures of success

5.1 This report has been completed in accordance with the requirements highlighted in section 8.5 of the Council's Financial Regulations.



Derek Brown
Executive Director, Education and Families