

North Lanarkshire Council Report

Adult Health and Social Care Committee

approval noting

Ref PMcA/ES

Date 08/09/20

Sundry Debt Write Off 2020

From Ross McGuffie, Chief Officer

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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 £13,310.87 for debts under £500;
- (2) Approve the write off of £71,865.62 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 2019/20 the Council issued invoices with an approximate value of £90.5m.

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

As well as chargeable services, invoices are raised to other local authorities, health and justice services.

- 1.3 The value of Social Work invoices raised during 2019/20 was £53m. This figure includes invoices raised to other local authorities, health and Justice (£52m).
- 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.

2. Report

- 2.1 Analysis of the outstanding balances has been conducted and £85,176.49 has been identified as uncollectable, this is in relation to Adult Social Care. Due to recent structure changes any future Children, Families and Justice accounts identified for write off will be included in the Education & Families report.
- 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.
- 2.3 The following tables categorise the value of debt recommended for write off by cause and value:

Cause Analysis	No of accounts	£
Deceased	55	70,669.93
Small Balances/Uneconomic to Pursue	2	0.49
Recovery Exhausted	102	14,506.07
Total	159	85,176.49
Value Analysis		
< £500	140	13,310.87
> £500	19	71,865.62
Total	159	85,176.49

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.

3. Equality and Diversity

- 3.1 Fairer Scotland Duty
No impact
- 3.2 Equality Impact Assessment
No impact

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

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.

6. Supporting documents

- 6.1 No appendices



Ross McGuffie
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