



**Policy, Finance and
Development
Committee**

Tuesday, 19 July 2016

**Matter for Information
and Decision**

Title: Collection and Write-Off of Miscellaneous Debtors

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1. Introduction

As part of the income collection process the Councils Finance Section is responsible for the production and collection of general invoices for sundry/miscellaneous debts across all services of the Council. This report updates members on the current collection position and requests permission to write-off larger items as required by the Councils Financial Regulations.

2. Recommendations

- 2.1. That Members note the contents of the report.
- 2.2. That Members approve the write off of sundry debts listed in section 3.3 below.

3. Information

- 3.1. The Councils Finance Section is responsible for the raising and collection of around 1,500 invoice per annum, with an annual value in excess of £1.5 million relating to income for all services of the Council. The Council uses three principal methods for collecting these debts.

- i) Direct contact with the debtor by letter or telephone
- ii) Referring the debt to a collection agent
- iii) Legal action through the courts

In February 2016 the Finance Section completely reviewed its debtor portfolio in conjunction with service departments. All debtors with collectable debts have now been contacted with the view to discuss payment arrangements.

- 3.2. The current position relating to collection of outstanding invoices is summarised below

	Days Overdue				
	0 – 90	90 – 182	182 – 365	365 - 730	Over 730
1 April 16	51,512	8,110	26,571	89,153	161,534
30 June 16	37,234	24,968	18,580	76,122	129,997

Over the first quarter of 2016/17 overdue debt has been reduced by around £50,000. Where payment is not made immediately it has been achieved by setting up arrangements with debtors either directly by Finance or by the Councils collection agent. Debts deemed to be uncollectable either due to its age, over six years old, or circumstances, such as the debtor being untraceable, have been written off by the Chief Financial Officer in accordance with the Council's Financial Regulations.

In the first quarter the Council has:-

- Set up 50 arrangements to pay directly with the debtor

- Referred 126 cases to the Council's collection agent
- Written-off 151 debtors totalling £38,750

It is anticipated the writing-off of small debt will decrease in future as the initial housekeeping exercise has now been completed.

Service departments will be updated on their debt portfolio on a regular basis by the Finance department as part of an ongoing review, with a further update brought to this committee in October 2016.

3.3. Requested Debt Write-Off

The Council has, up until February 2016, used a paper recycling company as part of its Refuse Disposal function. In February the company went into liquidation with outstanding money owed to the Council of £32,204.15. It is anticipated the Council will receive around £5,153 from the company's assets. As a result this committee is asked to approve write-off of the remaining balance of £27,051.49 as uncollectable. The invoice reference numbers are 127190, 127191, 127231, 127289.

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Implications	
Financial (CR)	Good debt management is essential if the Council is to maximise its revenue streams.
Legal (AC)	No significant implications.
Risk (CR)	CR1 - Decreasing financial resources. CR9 - Economy.
Equalities (AC)	No significant implications.
	Equality Assessment
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable