

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved?

☒ Yes ☐ No

Ref FW / LB

Date

11/09/24

General Debtors Write-Off 2024/25 – People Resources

From Fiona Whittaker, Chief Officer (People Resources)

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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 uncollectible following all attempts at recovery or are not economically viable to pursue for the People Resources service.

The total value of these accounts is £57,175.56.

In accordance with financial guidelines a provision for expected credit losses has previously been established for the outstanding accounts highlighted in the report.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledges the decision of the Chief Officer (People Resources) write-off debts totalling £14,036.53 under delegated responsibility for debts under £500.00.
- (2) Approves the write-off of £43,139.03 which includes debts greater than £500.00.

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
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 During 2023/424, the council issued invoices with an approximate value of £7 million.
- 1.2 The Employee Service Centre process employee transactions on behalf of all services. They create debtors accounts for payments outstanding for employees that are leavers.
- 1.3 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.
- 1.4 However, despite these steps there are a number of debts that are deemed uncollectable or are considered not economically viable to engage further collection activities and costs. The annual process of assessing the likelihood of debt non recovery conforms to accepted best accounting practice and is a reasonable 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 £57,175.56 has been identified as uncollectable.
- 2.2 There are several reasons why the outstanding balances are being written off and these are summarised below: -
 - a. Recovery exhausted. There are insufficient funds or no realisable assets that are available to meet the debt and all appropriate recovery opportunities have been exhausted.
 - 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. Deceased. The debtor is deceased and there have been insufficient funds within the estate to meet the sum due.
 - d. No Trace / Gone Away. The debtor has been unable to be located and there is no prospect of recovery of funds.
- 2.3 The following table categorises the value of the debt recommended for write-off by cause and value:

Cause Analysis	Total £	Number of Accounts
Recovery exhausted	46,121.70	92
Uneconomical to pursue	1,500.05	19
Deceased	3,658.26	2
Gone away	5,895.55	5
Totals	57,175.56	118

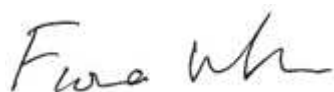
Value Analysis		
Under £500.00	14,036.53	85
Over £500.00	43,139.03	33
Totals	57,175.56	118

- 2.4 The value of accounts identified for write-off represents a small proportion of the accounts raised annually by the Employee Service Centre.
- 2.5 The total accounts identified for write-off represents a small proportion of the accounts raised annually by the Council (less than 1%).

3. Measures of success

- 3.1 Debt recovery will remain a priority for the service however where necessary adequate provisions will be made for uncollectable debt to ensure there is no budgetary impact.

4. Supporting documentation
N/A.



Fiona Whittaker
Chief Officer (People Resources)

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact? If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/>
5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? There are no additional financial implications for the current year because a corresponding provision for expected credit losses has been included in previous year's accounts.
5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/>

5.6	Technology / Digital impact
Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If Yes, please provide a brief summary of the impact?	
Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?	
Yes <input type="checkbox"/> No <input type="checkbox"/>	
5.7	Environmental / Carbon impact
Does the report / project / practice contain information that has an impact on any environmental or carbon matters?	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If Yes, please provide a brief summary of the impact?	
5.8	Communications impact
Does the report contain any information that has an impact on the council's communications activities?	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If Yes, please provide a brief summary of the impact?	
5.9	Risk impact
Is there a risk impact?	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?	
5.10	Armed Forces Covenant Duty
Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.	
5.11	Children's rights and wellbeing impact
Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).	
If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?	
Yes <input type="checkbox"/> No <input type="checkbox"/>	