

AUDIT AND GOVERNANCE COMMITTEE

30 JULY 2020

INCOME AND DEBT MANAGEMENT UPDATE

Recommendation

- 1. The Chief Financial Officer recommends that the latest update on Income and Debt Management be noted and a further update be reported to the next meeting.**

Background

2. The Committee has received a number of reports on the Council's continued improvement in its income and debt management reporting, as well as processes. At the last meeting it was noted that further steps were planned for the Spring of 2020 and an update would be presented to this Committee on that progress.

Key issues arising

3. In response to an unprecedented situation relating to the COVID-19 pandemic and the need to reduce the immediate pressure on the Council's resources and redirect all efforts to the support and prevention of COVID-19 the decision was taken to pause the Income and Debt Management transformation work.

4. As a result, all non-urgent billing was suspended. The year end account's position was updated to reflect the potential impact on the bad debt provision, with a £1.2 million increase being made in the provision. Discussion and reporting was also provided to Government to reflect our potential forecast of the impact of COVID19 on our debt position. Over the last four months this forecast has been scaled back as new data becomes known and billing and collection started again on 1 July 2020. Any risk of write off is now within the forecast provision, and we have further guidance from Government on the recoup of lost income which is available at the following link

<https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>.

5. Overall in the first quarter the debt greater than 30 days increased by £2.5 million. This is being analysed and resources will now be focused on recovery of this and all sums.

6. Progress on recruiting and appointing to the centralised income and debt management team was also suspended due to the COVID19 response, but work has now started again.

7. A further update is proposed for the next Committee.

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Michael Hudson, Chief Financial Officer

Tel: 01905 845560

Email: mhudson@worcestershire.gov.uk

Mark Sanders, Chief Accountant

Tel 01905 846519

Email: mssanders@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.