

AUDIT AND GOVERNANCE COMMITTEE

22 JULY 2022

INCOME AND DEBT MONITORING

Recommendation

- 1. The Chief Financial Officer recommends that the latest report be noted and the continued actions to recover all debt be supported.**

Background

2. The Council collects over £200m p.a. from clients and contractors. The majority of this (c75%) is related to People Directorate, but also extends to a wide range of services from highways works to archives. Following a review by the Committee officers regularly report progress back. This report updates the Committee on the latest debt position for the Council and any actions to address.

Key Issues Arising

3. The Council's debt increased just after the financial year end 2021/22 by nearly £11m. The reason for this is largely due to the year end and billing of clients, as such debt less than 30 days, however by the end of May debt less than 30 days had fallen to average.
4. Longer term debt has continued to increase with debt greater than 12 months accounting for 35% of debt in progress (£6.353m). A further £4.378m (24%) is over 6 months but less than a year overdue. In total 59% of debt is over 6 months old.
5. The majority of this debt sits within the People Directorate which is expected given the scale of income that service receives. In total, £21.607m of the overall debt (72%) sits in the People Directorate (£12.598m relating to Adult Care; and £9.009m for debt from adults or community providers/partners such as CCG and University).
6. Of the Adult Care debt, £12.6m (35%) is over 12 months due, and a further £3.282m (26%) is over six months but less than a year. That is 51% of the total debt over 12 months and 75% of the total debt over six months but less than a year.
7. Clearly therefore significant work is ongoing with the service to improve both recording and chasing debt. The introduction of changes being brought about through the Adult Social Care reforms under Build Back Better initiatives is going to introduce significant risk and as such we are looking at options around this.
8. More detailed analysis of the debt is provided as an Appendix.

9. Of the remaining debt the focus remains on chasing the top debts, this includes a large number of public service bodies. For example, we have started proceedings with another public body for a significant debt owed relating to one of our buildings. A significant other proportion relates to the largest individual adult care debt. A detailed list is attached as an Appendix.

10. Whilst there is a focus on collecting debt the Finance Team are also working with IT on the refresh of the Council's website to ensure that payment of income is made simple and available for more services. A further update will be provided in the December.

Risk management

11. There is a risk that if debt is written off that has a significant impact on the Council's financial sustainability. This is in part mitigated by the Council's bad debt provisions. The bad debt provision has been reviewed as part of the closedown of accounts and increased by £1.7m.

Contact Points

Specific Contact Points for this report

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Supporting Information

- Appendix: Monthly Debt Pack May 2022

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.

Monthly Debt Pack – May 2022

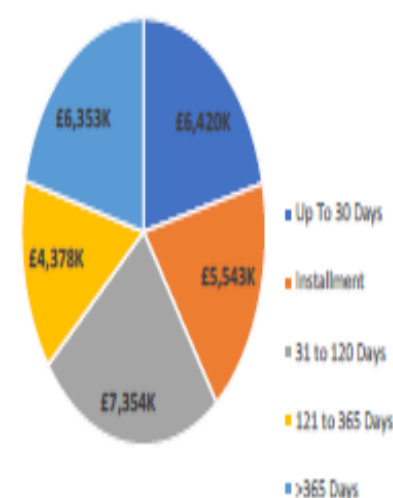
Monthly Debt Pack – May 2022



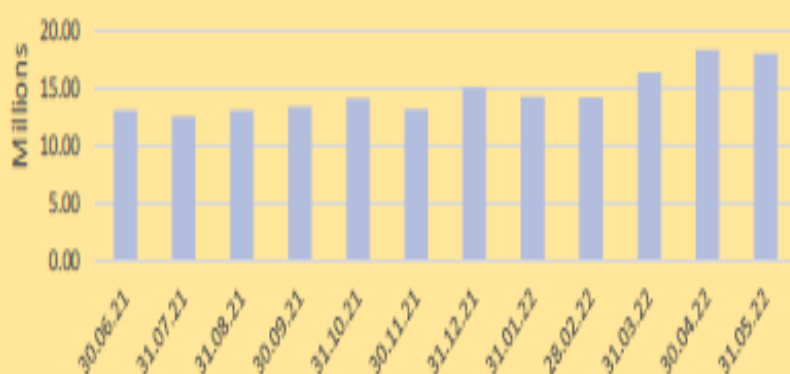
Overall Debt Position

Month	Total Debt	<30 days (£)	Instalments	Debt In Progress
31.05.22	30,048,103.73	6,420,268.03	5,543,367.48	18,084,468.22
30.04.22	40,049,314.77	17,430,196.26	4,158,079.17	18,461,039.34
31.03.22	29,784,337.62	12,388,620.55	959,032.97	16,436,684.10
28.02.22	25,141,695.97	9,315,272.97	1,562,901.31	14,263,521.69
31.01.22	23,381,143.21	7,119,945.36	1,970,324.43	14,290,873.42
31.12.21	21,921,750.63	4,339,045.08	2,453,019.85	15,129,685.70
30.11.21	23,408,258.29	7,306,004.86	2,905,883.67	13,196,369.76
31.10.21	22,575,065.41	5,062,317.29	3,320,169.56	14,192,578.56
30.09.21	22,899,680.07	5,726,665.23	3,725,079.40	13,447,935.44
31.08.21	20,817,184.18	3,944,920.38	3,708,268.03	13,163,995.77
31.07.21	23,486,697.21	8,399,000.72	2,482,299.89	12,605,396.60
30.06.21	19,242,558.06	3,372,404.73	2,760,298.67	13,109,854.66

Age Profile for May 2022 Debt (£K)



Debt in Progress Rolling 12 Months



Write Offs – May 2022

Directorate	Total
People (Adult Social Care)	£85,632.33
People Communities/Health	£0.00
COaCH	£0.00
E&I	£2,917.15
Chief Exec	£0.00
WCF	£777.50
Pensions	£0.00
	£89,326.98

Total Number of Invoices
35,882

Average Value of Invoice
£838.82

Number of Debt Customers
9,202

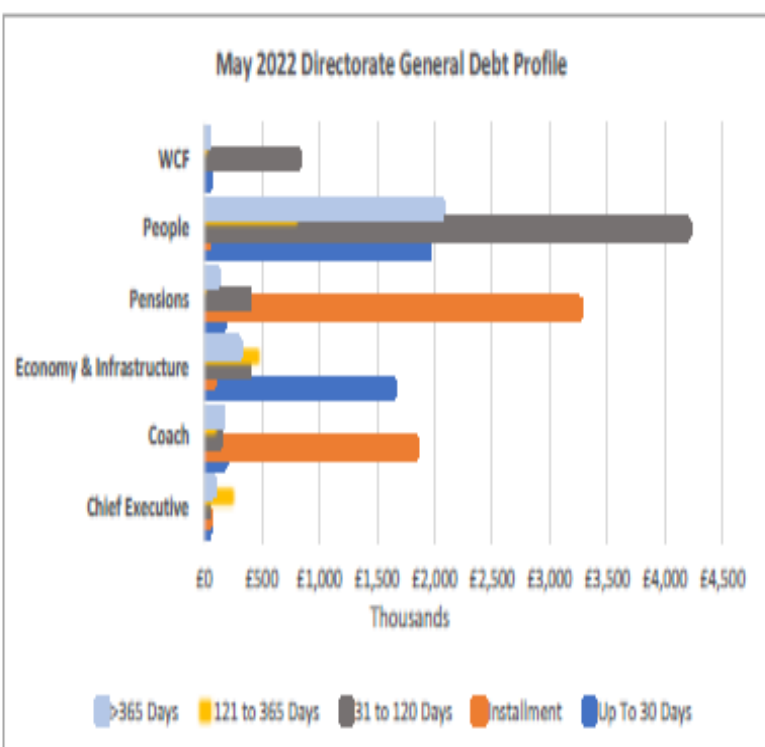
Detailed Debt Position Excluding Adult Social Care Debt

New Dir	Total
Chief Executive	401,519.35
Coach	2,369,340.86
Economy & Infrastru	2,830,954.32
Pensions	3,892,972.41
People	9,008,766.16
WCF	883,182.16
Income not Allocate	- 1,937,118.66
Total	17,449,616.60

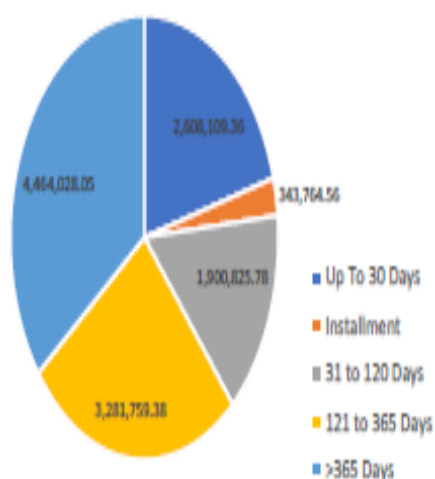
Adult Social Care Debt

Adult Social Care Debt

£12,598,487.13



Adult Social Care May 2022 Aged Debt Profile



Debt Service Metrics

Directorate	Value	Number of Invoices	Average Value	Average Age
Adult Social Care	12,598,487.13	24,444	515.40	486
Chief Executive	401,519.35	635	632.31	690
Coach	2,369,340.86	1,336	1,773.46	664
Economy & Infrastructure	2,830,954.32	741	3,820.45	544
Pensions	3,892,972.41	657	5,925.38	172
People	9,008,766.16	4,603	1,957.15	621
WCF	883,182.16	389	2,270.39	74
Income not Allocated	-1,937,118.66	3,017	-642.07	628
Grand Total	30,048,103.73	35,822	838.82	516