

Appendix D – Outturn Aged Debt Position as at 31 March 2019

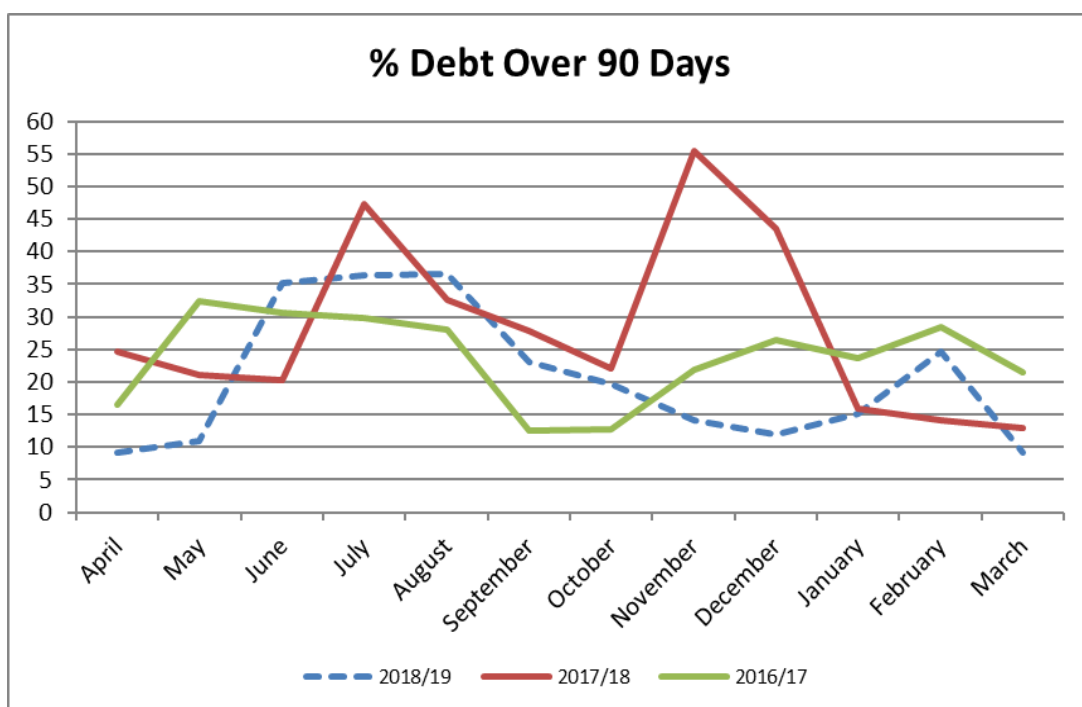
1. Aged Debt Analysis

1.1. The overall debt position as shown in table D1 below, shows a total gross debt of £19.768m, of which £1.796m (9.09%) is over 90 days old. This continues the improvement throughout the year, where the figure was over 35% at the start of the year, and 12.00% when last reported to Cabinet. Previous areas where debt has been difficult to collect promptly have improved. The outstanding debts over 90 days remain consistent at around £1m. The NHS debt is significantly reduced from the previous year when it was consistently over £1m and is now under £0.200m.

1.2. Detailed debt information is reported to Audit Committee on a quarterly basis. In addition, a SWAP audit report has recently been issued on debt management, and it has informed updates to the Income Code of Practice. Mandatory training awareness sessions are currently underway for all officers involved in actively managing debt.

1.3. Members are reminded that over the last 3 years, the Council has collected 99% of all the debt raised on our Accounts Receivable system.

1.4. Chart D1 – Debt Over 90 Days



1.5. Table D1 – Aged Debt as at 31st March 2019

Service	Not o'due	0-30 Days	1-3 Mths	3-12 Mths	12+ Mths	Total
	£m	£m	£m	£m	£m	£m
Adult Services	0.085	4.642	1.112	1.002	0.363	7.204
Children and Families	0.004	0.004	0.042	0.009	0.005	0.064
Children and Learning	0.085	0.094	0.023	0.007	0.003	0.212
Public Health (SCC funding)	0.000	0.001	0.000	0.011	0.000	0.012
ECI Services	0.285	8.605	2.129	0.216	0.155	11.390
Corporate and Support Services	0.033	0.449	0.118	0.002	0.008	0.610
Support Services for Education	0.005	0.172	0.042	0.007	0.000	0.226
School & Early Years	0.033	0.007	0.002	0.004	0.004	0.050
Total (£m)	0.530	13.974	3.468	1.258	0.538	19.768
Total (%)	2.68%	70.69%	17.54%	6.36%	2.72%	100.00%

1.6. Aged Debt – Service Commentary

1.6.1. Children's Services: £0.326m

Of those invoices older than 1 month, 42% relate to contributions from partner health authorities for placement costs of looked after children. The remainder relates to charges for places on the Duke of Edinburgh scheme along with recoupmnt of salary overpayments.

All debts over 3 months old have agreed repayment plans in place or have been referred to the debt recovery officer.

Debt impairments of £16,384 have been made and 45 debts to the value of £20,373 have been written-off during the year, of which 1 was greater than £1,000.

1.6.2. Adult Services: £7.204m

Debts older than 30 days have increased year on year by £1.545m which mainly relates to debts between 30 and 365 days old. £1.127m of this increase relates to outstanding debts with Somerset Clinical Commissioning and although the Council expects a lot of this to be paid shortly, there is roughly £0.500m in dispute. The Council will work with them as a priority to resolve these. There is also a debt with Wiltshire County Council for £0.326m relating to an Ordinary Residence case. This will also be paid shortly.

1.6.3. Public Health: £0.012m

The majority of the debt in Public Health relates to one debt (£0.007m) which is in dispute. This will be resolved as quickly as possible.

1.6.4. Economic and Community Infrastructure: £11.390m

The overall increase in debts outstanding is due to £6.711m of invoices raised for developer contributions and £1.560m for Somerset Waste Partnership. These are all under 90 days. Specific bad debt provisions of £0.183m were made in respect of the outstanding debts as at 31st March 2019 and debts totalling £0.022m were written off during 2018/19. These were small debts from transport provision, including County Ticket and minor damage to the highway. All debts over 90 days are being actively pursued.

1.6.5. Corporate and Support Services: £0.610m

Of the outstanding debt of £0.610m, £0.033m is not overdue and £0.449m is within 0-30 days, leaving an aged debt balance of £0.128m.

The 1-3 months debt totals £0.118m. The largest debt in this category is for £0.052m for Brymore School. There are 37 other debts in this category all smaller than £0.009m

The 3-12 months debt at year end was £0.002m. There are 9 small debts in this category.

The over 12 months total of £0.008m arises from 13 small debts.

No bad debt provision was made at year end for Corporate and Support Services. Support Services wrote off 19 small value debts during the year, with a total value of £0.002m.

1.6.6. Support Services for Education: £0.226m

A significant volume of invoices are raised on a termly basis resulting in a fluctuating level of debt throughout the year. This is reflected in the not overdue and 0 to 30 days bandings above.

Concerning the debts over 1 month old, the majority have been settled within April 2019 resulting in approximately £11,000 still outstanding. This mainly relates to building and property work from one customer which is being followed up in accordance with the income code of practice.

24 debts to the value of £1,090.29 have been written-off during the year.