

Date: 30 January 2020

Aged Debtor Analysis

Executive Summary

Members to consider and agree to write off the aged debts up to and including 31 March 2018 which are considered no longer recoverable the amount of which is £2,842.63.

Recommendation to Council (10 February 2020)

That Members agree to write off the aged debts which are considered not cost effective to recover, as set out in Paragraph 3 to a value of £2,842.63.

1. Purpose of Report

1.1 Members are asked to consider and agree to write off the aged debts which are considered no longer recoverable.

2. Background

2.1 Ash Parish Council invoices users for the hire of the Ash Centre and for a number of other activities and functions the Council provides.

2.2 On the Council's financial accounts system (Omega) most customers have an account which can be used to track payment of their outstanding invoices. A regular review of outstanding invoices is now undertaken which ensures that hirers are reminded of any outstanding amounts in a timely manner as required by the new Debtor and Creditor Management Policy adopted by the Council on 11 November 2019.

2.3 However, a small number of long standing invoices appear to remain unpaid and are summarised in Paragraph 3.1. It is quite possible that these debtors did pay their dues at the time but that the payments were passed through the financial systems cash book rather than through the Sales Ledger.

2.4 It is suggested that any of the genuine payments are now non-recoverable and it is recommended that members agree to "write-off" these debts. This is a common practice when the cost of finding and pursuing companies or individuals outweighs the value of the revenue to be collected.

2.5 It is also recommended that a regular report is presented to this Committee going forward, to keep Members informed of any mounting debts and actions being taken to collect them.

3. Financial Implications

3.1 A review of the outstanding entries on the **Sales Ledger** (money owed to the Council) has been conducted.

The **Sales Ledger** identifies historic outstanding amounts as below:

Financial Year Ended	Amount
31 March 2016	£781.88
31 March 2017	£937.18
31 March 2018	£1,123.57
Total outstanding	£2,842.63

Most entries are for relatively small individual amounts with no clear history of attempts at debt recovery. It is also possible that the amounts have been received and incorrectly processed through the cashbook, rather than the ledger.

- 3.2 The recommendation is to write off the Sales Ledger amounts, resulting in a total net cost to the council of **£2842.63**. Further investigation into the outstanding Sales Ledger entries is not likely to prove cost effective.

4. Options

- 4.1 Members may decide to:
- Agree with the Clerk's recommendation; or
 - Agree an alternative course of action.

5. Implications on Crime and Disorder

- 5.1 The Crime and Disorder Act 1998 (Section 17) requires a parish council to consider the crime and disorder implications of any decision. There are no direct implications to the report.

6. Implications on Biodiversity

- 6.1 The Natural Environment and Communications Act 2006 (Section 40) requires parish councils to consider the impact any decisions will have on biodiversity. There are no direct biodiversity implications to the report.

7. Background Papers

- 7.1 Ash Parish Council Financial Regulations Paragraph 9.4 "Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year."
- 7.2 Amenities Finance and Administration Committee Minute 137: 25 March 2019 - Aged Debtor Analysis.
- 7.3 Council Minute 97: 11 November 2019 – New Debtor and Creditor Management Policy.

8. Appendices

None.