

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report Reference: FCC-005-2010/11.

Date of meeting: 14 June 2010.

Portfolio: Finance and Economic Development.

Subject: Sundry Debtors Performance Indicators.

Responsible Officer: Edward Higgins (01992 564606).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

To note the performance of the sundry debt function.

Executive Summary:

The report shows that collection of sundry debts remains effective.

Reasons for Proposed Decisions:

To keep Members informed of performance.

Other Options for Action:

Members could request further information, although officers propose another report following receipt of the outcome of the CIPFA benchmarking questionnaire later in the year.

Report:

1. This report follows the approval of the Sundry Debt and Income Policy by Cabinet on 19 April 2010, when some part year performance data was provided. The 2009/10 year end figures are now available and are presented here for Members to note.

2. Aged debt analysis for 2008/09 can be seen in table 1 and for 2009/10 in table 2. These tables show that whilst there has been an increase in overall debt outstanding this is due to new debts issued close to the end of the financial year, as the percentage of outstanding debt less than 30 days old has increased from 39% to 52%. In monetary terms, the value of debts outstanding for more than 60 days has reduced from £1,432,763 to £1,160,392.

Days	0-30	31-60	61-180	181-365	366-1825	Over 1825	Total
Amount £	1,041,363	192,846	295,124	217,668	683,716	236,255	2,666,972
% of total	39%	7.2%	11.1%	8.2%	25.6%	8.9%	100%

Days	0-30	31-60	61-180	181-365	366-1825	Over 1825	Total
Amount £	1,483,805	210,260	103,005	101,854	684,519	271,014	2,854,457
% of total	52%	7.4%	3.6%	3.6%	23.9%	9.5%	100%

3. Table 3 shows a number of performance indicators. The value of debts collected within 42 and 60 days within 2009/10 show improvement over 2008/09, this should be seen as very encouraging in light of the continued downturn in the national economy.

		2008/09	2009/10
Value of invoices issued		£7,894,202	£7,933,541
Level of debt as at 31 st March		£2,666,972	£2,854,727
Level of irrecoverable debt provision as at 31 st March		£1,219,293	£1,163,911
Value of debts written off in year		£29,115	£105,393
Percentage of debt collected in 42 days (42 days represents the number of days before legal may be involved)	By number	68.25%	58.22%
	By value	58.77%	60.21%
Percentage of debts collected in 60 days	By number	77.37%	68.65%
	By value	68.56%	71.40%

4. Officers are preparing sundry debt collection data for the CIPFA benchmarking Club. Table 4 shows an extract of data requested by CIPFA as part of the benchmarking questionnaire.

Sample week dates	Number of invoices	Value of £'000	Number cleared %	Value cleared %
27/04/09 – 01/05/09	45	137	89	98
07/09/09 – 11/09/09	36	59	94	99
23/11/09 – 27/11/09	48	34	92	97

5. A further report is proposed following receipt of the outcome of the CIPFA benchmarking questionnaire. The outcome will allow comparison of performance with other contributing authorities.

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

There may be an impact on Legal services if the number of cases referred to legal increases due to none payment of invoice.

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

None.

Impact Assessments:

Risk Management:

If the sundry debt performance was not monitored collection rates might deteriorate.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council’s general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A