

# **Report to the Finance and Performance Management Cabinet Committee**



**Epping Forest  
District Council**

**Report Reference: FPM-003-2011/12.**

**Date of meeting: 20 June 2011.**

**Portfolio: Finance and Economic Development**

**Subject: Sundry Income & Debt Policy  
Sundry Debtors Performance Indicators**

**Responsible Officer: Edward Higgins (01992 564606).**

**Democratic Services: Gary Woodhall (01992 564470).**

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## **Recommendations/Decisions Required:**

- (1) That the updated Sundry Income and Debt Policy be updated; and**
- (2) That the performance indicators of the Sundry Debt function be noted.**

## **Executive Summary:**

The Sundry Income and Debt Policy is reviewed annually supported by Sundry Debtor performance indicators.

## **Reasons for Proposed Decisions:**

To ensure the Sundry Income and Debt Policy is kept up to date and that Members are kept informed of performance.

## **Other Options for Action:**

Members could make amendments to the Policy or request further information.

## **Report:**

1. Cabinet on 19 April 2010 adopted version 4 of the Sundry Income and Debt Policy, the adoption followed an extensive review of the policy. A further review has been carried in preparation for the 2011/12 update attached as Appendix 1. This review has identified the addition of credit cards to payment methods. The inclusion of credit cards payments follows the decision by Members at Cabinet on the 7 March 2011 to accept credit card payments.

2. Aged debt analysis for 2009/10 can be seen in table 1 and for 2010/11 in table 2. The tables show that there is a £596k reduction in the debt outstanding at year end, this improved collection rate is highlighted further when taking into account the £926k increase in value of invoices issued during 2010/11, shown within table 3.

<b>Table 1 – 2009/10 Aged debt analysis</b>							
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%

<b>Table 2 – 2010/11 Aged debt analysis</b>							
Days	0-30	31-60	61-180	181-365	366-1825	Over 1825	Total
Amount £	994,159	179,247	129,279	100,986	575,065	279,530	2,258,266
% of total	44%	7.9%	5.7%	4.5%	25.5%	12.4%	100%

3. Table 3 shows a number of performance indicators. The value of debts collected within 42 and 60 days within 2010/11 illustrate another year of improved performance.

<b>Table 3 – Performance indicators</b>			
		<u>2009/10</u>	<u>2010/11</u>
Value of invoices issued		£7,933,541	£8,860,003
Level of debt as at 31 <sup>st</sup> March		£2,854,727	£2,258,265
Level of irrecoverable debt provision as at 31 <sup>st</sup> March		£1,163,911	£1,023,714
Value of debts written off in year		£105,393	£61,358
Percentage of debt collected in 42 days (42 days represents the number of days before legal may be involved)	By number	58.22%	67.49%
	By value	60.21%	72.66%
Percentage of debts collected in 60 days	By number	68.65%	76.87%
	By value	71.40%	79.88%

4. The value of debts collected within 40 days exceeds the Policy target of 70%, and both the value and number of debts collected within 60 days exceed the target of 75%.

5. 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.

<b>Table 4 – Invoices cleared within 90 days</b>				
Sample week dates	Number of invoices	Value of £'000	Number cleared %	Value cleared %
26/04/10 – 30/04/10	29	118	76	99
06/09/10 – 10/09/10	35	210	86	99
22/11/09 – 26/11/09	17	25	94	99

**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