

# Appendix 5 Debt Management

1. The balance of outstanding debt has reduced by £0.8m since third quarter review mainly due to the settlement of invoices raised to Cheshire West & Chester Council for ICT services and Business World licences.
2. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates).
3. Annually, the Council raises invoices with a total value of over £70m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.
4. The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.
5. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor). In 2017/18 the team collected £3.2m on behalf of services.
6. After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of March 2018 was £6.2m.
7. The total amount of service debt over six months old is £3.1m; provision of £4.3m has been made to cover doubtful debt in the event that it needs to be written off.

## Debt Summary

	Within 30 trade terms £000	Over 6 months old £000	Debt Provision £000
<b>People</b>			
Adults, Public Health and Communities	3,847	2,305	3,544
Children's Social Care (Incl. Directorate)	98	46	46
Education and 14-19 Skills	112	-	-
Prevention and Support	172	1	1
Schools	123	49	16
<b>Place</b>			
Planning and Sustainable Development	48	24	24
Infrastructure and Highways (inc Car Parking)	1,002	249	249
Growth and Regeneration	501	204	204
Rural and Cultural Economy	29	6	6
<b>Corporate</b>			
Customer Operations	4	3	3
Legal & Democratic Services	9	-	-
Human Resources	8	7	7
Finance and Performance	14	5	5
Professional Services	13	1	1
ICT	43	2	2
Communications	-	-	-
Client Commissioning - Environmental	223	204	204
Client Commissioning - Leisure	-	-	-
	6,246	3,106	4,312