

By: Deputy Leader and Cabinet Member for Finance & Procurement  
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To: Governance & Audit Committee – 21 July 2016

Subject: **DEBT MANAGEMENT**

Classification: Unrestricted

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Summary: To report on the Council's debt position

## **FOR ASSURANCE**

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### **INTRODUCTION**

1. The purpose of this report is to provide the Governance and Audit Committee with assurance on the Council's outstanding debt position.
2. This report concentrates mainly on debt over 6 months old.

### **MANAGEMENT SUMMARY**

3. The overall outstanding debt as at 1 June 2016, as shown on Oracle Accounts Receivable Business Intelligence Suite, is £33.8m. This represents Social Care debt of £17.1m (11,461 Clients) and Sundry Debt of £16.6m (2,493 Debtors).
4. The sundry debt figures includes invoices raised to the Clinical Commissioning Groups amounting to £5.2m, of which £244k is not yet due for payment. Please see paragraph 22 for further details.
5. The total debt reported has decreased by £15.9m from the £49.7m reported in the last Governance and Audit report. However, the £49.7m reported to the Governance & Audit Committee in January 16 included £22.2m actually due for payment compared to £23.8m due for payment as at this reporting period.
6. The value of total debt at any given date can vary considerably, particularly when large one-off invoices are raised – and thus paid. A better measure of comparative performance can be seen by movements in the value of sundry debt over six months' old as a percentage of total debt over the course of the last seven years, as the table below illustrates:

| <b>30-Apr- 16</b> | <b>30-Apr- 15</b> | <b>30-Apr-14</b> | <b>30-Apr-13</b> | <b>30-Apr-12</b> | <b>30-Apr-11</b> | <b>30-Apr-10</b> | <b>30-Apr-09</b> |
|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 11%               | 5%                | 7%               | 8%               | 12%              | 8%               | 6%               | 11%              |

7. It can be seen that there has been a significant increase in the percentage of debt over 6 months. There are ten invoices with a total value of £1m that have been outstanding for over six months. Six of these invoices relate to Health

CCG's, and the Directorate is leading for the recovery of these debts. The table below provides information regarding the invoices:

| Directorate        | Customer Name                              | Sales Invoice Number | Total AR Outstanding Amount |
|--------------------|--|----------------------|-----------------------------|
| GT                 | ALGAECYTES LTD#RGL                         | 400011188            | £150,000.00                 |
| GT                 | CHRIS CAREY COLLECTIONS LTD                | 400006479            | £108,956.38                 |
| GT                 | HODSON DEVELOPMENTS (ASHFORD) LTD          | 400011196            | £85,548.65                  |
| GT                 | HODSON DEVELOPMENTS (ASHFORD) LTD          | 400011197            | £61,439.49                  |
| <b>GT Total</b>    |  |                      | <b>£405,944.52</b>          |
| SC                 | KENT COMMUNITY HEALTH NHS FOUNDATION TRUST | 800005396            | £181,803.24                 |
| SC                 | NHS ASHFORD CCG                            | 800006236            | £122,776.66                 |
| SC                 | NHS THANET CCG                             | 800008336            | £112,320.15                 |
| SC                 | NHS MEDWAY CLINICAL COMMISSIONING GROUP    | 800003184            | £66,802.34                  |
| SC                 | NHS MEDWAY CLINICAL COMMISSIONING GROUP    | 800005301            | £66,444.56                  |
| SC                 | NHS ASHFORD CCG                            | 800008333            | £51,187.57                  |
| <b>SC Total</b>    |  |                      | <b>£601,334.52</b>          |
| <b>Grand Total</b> |  |                      | <b>£1,007,279.04</b>        |

8. The detail around the Social Care element of debt, as well as the movement in value since the last report, can be found in sections 26-34, with earlier sections referring to Sundry debt only. The Social Care debt analysed from this point on reflects the four weekly client billing process run on Tuesday 24 May 2016.
9. The table below is an analysis of the summary position for Sundry debt as at 1 June 2016. As can be seen £11.6m of the £16.6m outstanding is not yet due for payment:

| FTC                | Directorate     | Not Yet Due          | AR Overdue 0-60 Amount | AR Overdue 61-181 Amount | AR Overdue 182+ Amount | Total AR Outstanding Amount | Overdue Element       |
|--------------------|-----------------|----------------------|------------------------|--------------------------|------------------------|-----------------------------|-----------------------|
| New Directorate    | EY              | £161,920.48          | £290,583.52            | £96,434.00               | £96,481.00             | £645,419.00                 | £483,498.52           |
|                    | GT              | £912,773.71          | £2,437,463.56          | £677,752.16              | £391,625.99            | £4,419,615.42               | £3,506,841.71         |
|                    | SC              | £647,506.81          | £3,117,933.18          | £951,896.85              | £832,786.01            | £5,550,122.85               | £4,902,616.04         |
|                    | ST              | £2,570,286.37        | £1,119,146.49          | £193,017.03              | £176,913.68            | £4,059,363.57               | £1,489,077.20         |
| Old Directorate    | BSS             | £52,289.88           | £29,495.09             | £4,345.45                | £51,100.42             | £137,230.84                 | £84,940.96            |
|                    | C&C             | £0.00                | £0.00                  | £0.00                    | £9,893.26              | £9,893.26                   | £9,893.26             |
|                    | E&E             | £4,173.11            | £0.00                  | £0.00                    | £21,726.26             | £25,899.37                  | £21,726.26            |
|                    | ELS             | £33,579.98           | £0.00                  | £608.90                  | £4,230.23              | £38,419.11                  | £4,839.13             |
|                    | FSC             | £23,808.44           | £0.00                  | £952.38                  | £175,618.77            | £200,379.59                 | £176,571.15           |
| Other              | EDUKENT         | £218,461.46          | £564,196.64            | £39,931.01               | £2,377.99              | £824,967.10                 | £606,505.64           |
|                    | Penalty Notices | £16,869.00           | £7,200.00              | £30,372.00               | £5,400.00              | £59,841.00                  | £42,972.00            |
|                    | Property Rents  | £361,299.34          | £283,459.67            | £21,160.85               | £10,029.47             | £675,949.33                 | £314,649.99           |
| <b>Grand Total</b> |                 | <b>£5,002,968.58</b> | <b>£7,849,478.15</b>   | <b>£2,016,470.63</b>     | <b>£1,778,183.08</b>   | <b>£16,647,100.44</b>       | <b>£11,644,131.86</b> |

## **PERFORMANCE**

10. There are two performance indicators that the Debt Recovery Team aims to achieve. The percentages are based on the total outstanding unsecured debt.

- Total outstanding sundry debt under 60 days old – greater than 75%
- Total outstanding sundry debt over 6 months old – less than 15%

As at 1 June 2016, 77.21% of the total sundry outstanding debt was under 60 days old whilst 10.68% was over 6 months old.

## **DEBT LEVELS OVER SIX MONTHS OF AGE**

11. The following tables provide an analysis of the categories of debt **over 6 months old** by Directorate, followed by more detailed analysis. Some invoices are currently marked as “Other” – this is usually due to the fact that some invoices are chased directly by the Directorate responsible for them – and they are thus responsible for changing the tag status.

12. EY – Early Years

| <b>DEBT CATEGORY</b>    | <b>AMOUNT OUTSTANDING</b> |
|-------------------------|---------------------------|
| EDUKENT                 | £58,702.38                |
| ONGOING ACTION          | £29,325.36                |
| HEALTH DEBT - HQ        | £485.00                   |
| LIQ'S/INSOLV'S/RECV     | £200.00                   |
| OTHER                   | £4,150.00                 |
| REFERRED FOR WRITE OFF  | £993.19                   |
| REFERRED TO DIRECTORATE | £2,625.07                 |
| <b>TOTAL</b>            | <b>£96,481.00</b>         |

There are 83 invoices over 6 months for EY – the Debt Recovery Team is liaising with all invoice requestors to recover the debts. The largest invoice is for the sum of £58,345.00 regarding a work skills pilot at East Kent College – the debt is being chased by the Directorate directly.

13. GT – Growth, Environment & Transport

| <b>DEBT CATEGORY</b>    | <b>AMOUNT OUTSTANDING</b> |
|-------------------------|---------------------------|
| ONGOING ACTION          | 104,268.27                |
| INSTALMENTS             | 105,103.74                |
| INSURANCE               | 5,960.28                  |
| OTHER                   | 13,312.18                 |
| ON HOLD                 | 146,988.14                |
| REFERRED FOR WRITE OFF  | 4,605.60                  |
| REFERRED TO DIRECTORATE | 11,387.78                 |
| <b>TOTAL</b>            | <b>£391,625.99</b>        |

There are 112 outstanding invoices over 6 months for GT – the Debt Recovery Team is liaising with all invoice requestors to recover the debts. The largest invoice is for the sum of £103,956.38 regarding a waste management contract. An instalment plan is in place which is being formalised by Legal Services.

14. SC – Strategic Commissioning

| DEBT CATEGORY              | AMOUNT OUTSTANDING |
|----------------------------|--------------------|
| ONGOING ACTION             | £90,360.57         |
| HEALTH DEBT - HQ           | £473,829.85        |
| HEALTH DEBT - SECURED - HQ | £239,341.44        |
| LIQ'S/INSOLV'S/RECV        | £1,934.21          |
| OTHER                      | £1,022.05          |
| ON HOLD                    | £2,064.77          |
| PAYMENT PLAN               | £2,938.93          |
| REFERRED FOR WRITE OFF     | £12,118.20         |
| REFERRED TO DIRECTORATE    | £9,175.99          |
| <b>TOTAL</b>               | <b>£832,786.01</b> |

There are 129 invoices over 6 months - the Debt Recovery Team is liaising with all invoice requestors to recover the debts. It can be noted that £239k of the total debt is secured – leaving £593k as unsecured. The largest invoice is for the sum of £181,803.24 outstanding from KCH NHS Foundation Trust regarding the Active care scheme.

15. ST – Strategic & Corporate Services

| DEBT CATEGORY           | AMOUNT OUTSTANDING |
|-------------------------|--------------------|
| ONGOING ACTION          | £108,512.33        |
| HEALTH DEBT - HQ        | £259.82            |
| INSTALMENTS             | £298.79            |
| LIQ'S/INSOLV'S/RECV     | £657.84            |
| ON HOLD                 | £4,885.96          |
| PAYMENT PLAN            | £10,012.43         |
| REFERRED FOR WRITE OFF  | £7,456.45          |
| REFERRED TO DIRECTORATE | £44,830.06         |
| <b>TOTAL</b>            | <b>£176,913.68</b> |

There are 128 invoices over 6 months for ST - the Debt Recovery Team is liaising with all invoice requestors to recover the debts. The largest invoice is for the sum of £12,620.53 regarding fees paid to a care provider. The Debt Recovery team are currently liaising with the debtor to obtain payment.

16. BSS – Business Strategy and Support

| DEBT CATEGORY           | AMOUNT OUTSTANDING |
|-------------------------|--------------------|
| ONGOING ACTION          | £11,326.32         |
| INSTALMENTS             | £994.54            |
| INTERNAL                | £-30.00            |
| PAYMENT PLAN            | £13,017.00         |
| REFERRED FOR WRITE OFF  | £16,461.88         |
| REFERRED TO DIRECTORATE | £8,248.98          |
| SMALL CLAIMS COURT      | £1,081.70          |
| <b>TOTAL</b>            | <b>£51,100.42</b>  |

There are 51 invoices over 6 months old for BSS - the Debt Recovery Team is liaising with all invoice requestors to recover the debts. The largest invoice is for the sum of £8,750 regarding a duplicate payment made to The Milkmaid & Pail LLP. The Debt Recovery team has received agreement to present this debt for consideration to write off.

17. C&C – Customers & Community

| DEBT CATEGORY             | AMOUNT OUTSTANDING |
|---------------------------|--------------------|
| ONGOING ACTION            | £2,073.49          |
| INSTALMENT - SMALL CLAIMS | £772.00            |
| LIQ'S/INSOLV'S/RECV       | £1,500.07          |
| REFERRED FOR WRITE OFF    | £4,111.25          |
| REFERRED TO DIRECTORATE   | £1,436.45          |
| <b>TOTAL</b>              | <b>£9,893.26</b>   |

There are 7 invoices over 6 months old for C&C - the Debt Recovery Team is liaising with all invoice requestors to recover the debts. The largest invoice is for the sum of £4,111.25 which relates to work undertaken in order to ensure the safety of fuel tanks located at a garage where the owner had absconded. Write off is currently being considered.

18. E&E - Environment & Enterprise

| DEBT CATEGORY             | AMOUNT OUTSTANDING |
|---------------------------|--------------------|
| INSTALMENT - SMALL CLAIMS | £1,254.60          |
| INSURANCE                 | £7,935.60          |
| REFERRED FOR WRITE OFF    | £670.00            |
| REFERRED TO DIRECTORATE   | £11,866.06         |
| <b>TOTAL</b>              | <b>£21,726.26</b>  |

There are 18 invoices for E&E over 6 months old. These are all GET invoices and the Directorate are responsible for chasing these debts directly. The largest invoice is for £9,530.08 regarding an insurance claim for repairs to a bridge. The £7.9k tagged as "Insurance" consists of 12 invoices.

19. ELS – Education, Learning & Skills

| DEBT CATEGORY             | AMOUNT OUTSTANDING |
|---------------------------|--------------------|
| INSTALMENT - SMALL CLAIMS | £1,320.00          |
| PAYMENT PLAN              | £1,359.76          |
| REFERRED FOR WRITE OFF    | £1,340.47          |
| REFERRED TO DIRECTORATE   | £210.00            |
| <b>TOTAL</b>              | <b>£4,230.23</b>   |

There are 9 invoices for ELS over 6 months old. The largest invoice is for the sum of £1,320 regarding a salary overpayment. The Debt Recovery team are currently liaising with the debtor to obtain payment.

20. FSC - Families and Social Care

| DEBT CATEGORY           | AMOUNT OUTSTANDING |
|-------------------------|--------------------|
| ONGOING ACTION          | £19,191.45         |
| INSTALMENTS             | £1,559.52          |
| LIQ'S/INSOLV'S/RECV     | £595.14            |
| OTHER                   | £120.00            |
| PAYMENT PLAN            | £42,010.75         |
| REFERRED FOR WRITE OFF  | £27,149.31         |
| REFERRED TO DIRECTORATE | £59,541.47         |
| REFERRED TO LEGAL       | £11,410.12         |
| SMALL CLAIMS COURT      | £14,041.01         |
| <b>TOTAL</b>            | <b>£175,618.77</b> |

The £59.5k tagged as “Referred to Directorate” consists of 28 Invoices. Of these, the largest invoice for £11.4k is to reclaim costs regarding a Direct Payment. Payments of £10 are being made on a monthly basis. The instalment plan is reviewed regularly with the debtor.

21. EduKent

| DEBT CATEGORY | AMOUNT OUTSTANDING |
|---------------|--------------------|
| EDUKENT       | £2,377.99          |
| <b>TOTAL</b>  | <b>£2,377.99</b>   |

There are currently 10 invoices over 6 months old for Edu Kent. Edu Kent are responsible for the recovery of their own debts.

**SUNDRY HEALTH DEBT**

22. The Sundry Health Debt as at 1 June 2016 was identified as being £5.2 million comprising of 225 invoices. This is a decrease of £15.6 million when compared to the position reported in January 2016 of £20.8m comprising of 186 invoices.
23. The following table provides an analysis by debtor of Sundry Health debt as at 1 June 2016:

| Customer Name  | Not Yet Due        | Overdue 0-60 Amount  | Overdue 61-181 Amount | Overdue 182+ Amount | Total Outstanding Amount |
|--|--------------------|----------------------|-----------------------|---------------------|--------------------------|
| DARTFORD & GRAVESHAM NHS TRUST                                 | £0.00              | £0.00                | £4,904.00             | £0.00               | £4,904.00                |
| NHS EASTERN & COASTAL CCG                                      | £0.00              | £0.00                | £0.00                 | £41,330.20          | £41,330.20               |
| EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST            | £3,144.61          | £207,660.99          | £9,520.64             | £0.00               | £220,326.24              |
| EASTERN & COASTAL KENT PRIMARY CARE TRUST                      | £0.00              | £50.00               | £0.00                 | £0.00               | £50.00                   |
| KENT & MEDWAY NHS SOCIAL CARE PARTNERSHIP TRUST                | £106.39            | £107,305.84          | £64,364.95            | £668.64             | £172,445.82              |
| KENT AND MEDWAY NHS SCPT T/AS KENT AND MEDWAY CFE M E SERVICES | £0.00              | £84.00               | £0.00                 | £70.00              | £154.00                  |
| KENT COMMUNITY HEALTH NHS FOUNDATION TRUST                     | £15,829.87         | £77,113.02           | £69,371.95            | £218,599.26         | £380,914.10              |
| LONDON PORT HEALTH AUTHORITY                                   | £7,989.60          | £0.00                | £0.00                 | £0.00               | £7,989.60                |
| MAIDSTONE & TUNBRIDGE WELLS NHS TRUST                          | £0.00              | £22,826.85           | £7,304.00             | £100.00             | £30,230.85               |
| MEDWAY NHS FOUNDATION TRUST                                    | £0.00              | £50.00               | £100.00               | £0.00               | £150.00                  |
| NHS ASHFORD CCG  | £0.00              | £492,046.93          | £76,547.20            | £178,964.23         | £747,558.36              |
| NHS CANTERBURY & COASTAL CCG                                   | £0.00              | £70,888.30           | £96,433.26            | £22,136.04          | £189,457.60              |
| NHS DARTFORD, GRAVESHAM, AND SWANLEY CCG                       | £62,282.82         | £67,820.11           | £70,111.47            | £0.00               | £200,214.40              |
| NHS EASTERN & COASTAL KENT COMMUNITY SERVICES                  | £50.00             | £0.00                | £150.00               | £215.00             | £415.00                  |
| NHS ENGLAND  | £0.00              | £1,000,000.00        | £0.00                 | £0.00               | £1,000,000.00            |
| NHS KENT & MEDWAY CSU  | £186.16            | £0.00                | £0.00                 | £0.00               | £186.16                  |
| NHS MEDWAY CLINICAL COMMISSIONING GROUP                        | £0.00              | £0.00                | £4,604.00             | £133,246.90         | £137,850.90              |
| NHS PROPERTY SERVICES LTD#RENT                                 | £0.00              | £0.00                | £1,116.17             | £0.00               | £1,116.17                |
| NHS SOUTH EAST CSU   | £0.00              | £189,381.03          | £3,854.88             | £0.00               | £193,235.91              |
| NHS SOUTH KENT COASTAL CCG                                     | £2,460.00          | £191,331.14          | £116,264.79           | £60,071.32          | £370,127.25              |
| NHS SWALE CCG  | £60,464.62         | £148,342.25          | £70,660.81            | £0.00               | £279,467.68              |
| NHS THANET CCG   | £0.00              | £151,692.81          | £88,412.66            | £11,466.78          | £251,572.25              |
| NHS THANET TRADESHIFT CCG                                      | £0.00              | £667,283.53          | £0.00                 | £0.00               | £667,283.53              |
| NHS WEST KENT CCG  | £90,530.75         | £65,404.45           | £112,270.00           | £47,047.74          | £315,252.94              |
| SUSSEX PARTNERSHIP NHS FOUNDATION TRUST                        | £768.80            | £0.00                | £0.00                 | £0.00               | £768.80                  |
| SUSSEX PARTNERSHIP-NHS FOUNDATION TRUST-KENT CAMHS             | £0.00              | £213.00              | £300.00               | £0.00               | £513.00                  |
| <b>Grand Total</b>   | <b>£243,813.62</b> | <b>£3,459,494.25</b> | <b>£796,290.78</b>    | <b>£713,916.11</b>  | <b>£5,213,514.76</b>     |

## **TRENDS**

24. The numbers and values of invoices raised through Accounts Receivable for the last 6 years are:

|                                  | <b>2015-16</b> | <b>2014-15</b> | <b>2013-14</b> | <b>2012-13</b> | <b>2011-12</b> | <b>2010-11</b> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Number of invoices raised</b> | 35,010         | 31,465         | 30,290         | 28,353         | 32,029         | 29,336         |
| <b>Value of invoices raised</b>  | £280,859,263   | £250,886,916   | £246,893,065   | £237,392,631   | £160,139,056   | £176,597,554   |

## **WRITE OFFS**

25. The table below shows the sum written off from 1 April 2016 to 1 June 2016 in relation to Sundry debts.

| <b>DIRECTORATE</b> | <b>TOTAL WRITE OFFS</b> |
|--------------------|-------------------------|
| BSS REVENUE DEBT   | £94.39                  |
| C&C BAD DEBT       | £510.00                 |
| C&C REVENUE DEBT   | £2,531.12               |
| E&E REVENUE DEBT   | £883.47                 |
| ELS BAD DEBT       | £50.00                  |
| ELS REVENUE DEBT   | £867.80                 |
| FSC REVENUE DEBT   | £8,977.68               |
| <b>GRAND TOTAL</b> | <b>£13,914.46</b>       |

## **SOCIAL CARE DEBT**

### **26. Client Charging**

- (i) Clients are financially assessed to determine their contribution towards either their residential or non-residential care costs in accordance with the Care Act – Care and Support Charging & Assessment of Resources Regulations 2014.
- (ii) In 2015/2016 the total amount of income charged to clients through the client billing system was £59,125,763.10. This is a slight decrease when compared to the previous year. The average amount billed on each invoice run is £4,927k – an increase when compared to the previous year.

## **ANALYSIS OF CLIENT RELATED DEBT**

27. As at the billing run on 24 May 2016 the overall client related social care debt stood at £17,249,327.10. This debt can be broken down as follows:



| <b>Debt Type</b> | <b>£'000</b>   |
|------------------|----------------|
| Residential      | £14,430        |
| Non-Residential  | £2,819         |
| <b>Total</b>     | <b>£17,249</b> |

28. Of the £17.2m (11,499 debtors), £4.7m relates to the latest billing run and is therefore not yet due.
29. The £17.2m can be broken down between secured and unsecured debt as follows:

| <b>Credit Status</b>                       | <b>£'000</b>   |
|--|----------------|
| Caution/Restriction                        | £137           |
| Secured                                    | £5,589         |
| Unsecured Ongoing                          | £9,581         |
| Unsecured Deceased/Terminated              | £1,942         |
| <b>Grand Total (Including Not Yet Due)</b> | <b>£17,249</b> |

#### **AGED ANALYSIS OF CLIENT RELATED DEBT**

30. The table below shows an analysis of unsecured debt **that is due for payment**:

|                       | <b>Under Six Months £'000</b> | <b>Six Months to a Year £'000</b> | <b>Over One Year £'000</b> | <b>Total Overdue £'000</b> |
|-----------------------|-------------------------------|-----------------------------------|----------------------------|----------------------------|
| <b>Unsecured Debt</b> |                               |                                   |                            |                            |
| <b>Total</b>          | £2,720                        | £1,268                            | £3,326                     | £7,314                     |

#### **NUMBERS OF UNSECURED DEBTORS**

31. There are currently 11,346 debtors with an unsecured debt or credit on their account. This figure includes both due and not yet due debts – which total £11,661k.

#### **SOCIAL CARE DEBT MOVEMENTS**

32. The following table shows all due debt across the localities. It also includes all types of debt:

*Total Debt (due and not yet due, secured and unsecured)*

| <b>Total Debt</b>                             | <b>24-May-16<br/>Total Debt<br/>£'000</b> | <b>10-Nov-15<br/>Total Debt<br/>£'000</b> | <b>29-Apr-14<br/>Total Debt<br/>£'000</b> | <b>Change Since<br/>29-Apr-14<br/>£'000</b> |
|---|---|---|---|---|
| <b>Ashford and Canterbury</b>                 | £3,156                                    | £3,041                                    | £3,424                                    | <b>-£268</b>                                |
| <b>Corporate</b>                              | £0  | £1  | £5  | <b>-£5</b>                                  |
| <b>Dartford Gravesham Swanley &amp; Swale</b> | £4,210                                    | £4,061                                    | £4,586                                    | <b>-£377</b>                                |
| <b>East Kent LD</b>                           | £697                                      | £679                                      | £704                                      | <b>-£7</b>                                  |
| <b>Mental Health</b>                          | £190                                      | £190                                      | £144                                      | £47   |
| <b>Thanet and South Kent Coastal</b>          | £4,227                                    | £4,479                                    | £4,526                                    | <b>-£299</b>                                |
| <b>West Kent</b>                              | £4,341                                    | £4,316                                    | £5,682                                    | <b>-£1,340</b>                              |
| <b>West Kent LD</b>                           | £428                                      | £380                                      | £289                                      | £139  |
| <b>Total</b>                                  | <b>£17,249</b>                            | <b>£17,147</b>                            | <b>£19,360</b>                            | <b>£-2,110</b>                              |

33. The table below shows unsecured overdue debt, which is the “highest” risk debt:

*Overdue Debt (unsecured)*

| <b>Unsecured Overdue Debt - All Localities</b> |   |   |   |   |
|--|---|---|---|---|
| <b>Locality</b>                                | <b>24-May-16<br/>Total Debt<br/>£'000</b> | <b>10-Nov-15<br/>Total Debt<br/>£'000</b> | <b>29-Apr-14<br/>Total Debt<br/>£'000</b> | <b>Change Since<br/>29-Apr-14<br/>£'000</b> |
| <b>Ashford and Canterbury</b>                  | £1,210                                    | £1,049                                    | £1,113                                    | £97   |
| <b>Corporate</b>                               | £0  | £0  | £3  | <b>-£3</b>                                  |
| <b>Dartford Gravesham Swanley &amp; Swale</b>  | £1,706                                    | £1,485                                    | £1,500                                    | £206  |
| <b>East Kent LD</b>                            | £284                                      | £261                                      | £195                                      | £89   |
| <b>Mental Health</b>                           | £146                                      | £141                                      | £103                                      | £43   |
| <b>Thanet and South Kent Coastal</b>           | £1,803                                    | £1,801                                    | £1,632                                    | £171  |
| <b>West Kent</b>                               | £2,032                                    | £1,780                                    | £1,643                                    | £389  |
| <b>West Kent LD</b>                            | £132                                      | £128                                      | £83                                       | £49   |
| <b>Total</b>                                   | <b>£7,314</b>                             | <b>£6,645</b>                             | <b>£6,272</b>                             | <b>£1,042</b>                               |

**WRITE OFFS**

34. As at 1 June 2016, £39,442.05 in Social Care write offs had been processed in ORACLE since 1 April 2016. Write offs processed in previous years are as follows.

| <b>Social Care Write Offs</b> |               |
|-------------------------------|---------------|
| <b>Year</b>                   | <b>Amount</b> |
| 2015 - 2016                   | £686,715.80   |
| 2014 - 2015                   | £472,066.50   |
| 2013 - 2014                   | £400,685.90   |
| 2012 - 2013                   | £188,124.22   |
| 2011 - 2012                   | £468,094.95   |
| 2010 - 2011                   | £254,829.22   |

35. It can be seen that there was a significant increase in the number of write offs in the year 15/16. This is due to the fact that a review of all historic debt was undertaken. This review resulted in irrecoverable debt being written off in accordance with KCC's Debt Policy.

### **CONCLUSION**

36. Total Sundry Debt has decreased from £32.6m to £16.6m since the last Governance and Audit report. This is largely due to changes in the way that Kent hosted the budget arrangement for the Better Care Fund last year.
37. Total Social Care debt including not yet due has increased from £17.1m to £17.2m since the last Governance and Audit report.

### **RECOMMENDATION**

38. Members are asked to note the content of this report for assurance.

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