

Report To: Education & Communities Committee
Date: 6 May 2014

Report By: Head of Finance & Corporate Director Education, Communities & Organisational Development
Report No: FIN/024/14/JB/IC

Contact Officer: Iain Cameron
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Subject: Pitch and School Lets Outstanding Debts- As at 31 January 2014

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the level of outstanding debts for Pitch and School Lets as at Period 10 to 31 January 2014.

2.0 SUMMARY

- 2.1 The booking office responsible for the management of Pitches and School Lets became the responsibility of Inverclyde Leisure from April 2010 as part of the Community Facilities transfer. Prior to the transfer, customers were invoiced directly by Inverclyde Council.
- 2.2 Historical debt for invoices raised by Inverclyde Council prior to the April 2010 transfer to Inverclyde Leisure amounts to £9,145. There is little prospect of collecting this money as the majority of it is prescribed (over 5 years old and can't be pursued) or is owed by organisations that no longer exist. These debts will be written off as appropriate as part of the normal accounting year end procedure for 2013/14 in line with the Council's bad debt policy.
- 2.3 As at 31 January 2014 the level of outstanding debt for invoices raised by Inverclyde Leisure since the April 2010 transfer amounts to £42,490. This balance includes £16,519 for invoices raised in the current year and approximately £30,000 for payments Inverclyde Leisure have made to Inverclyde Council prior to invoices being paid by customers. The £30,000 has been previously reported to Committee as part of the Revenue Budget reports. A detailed aged debt analysis for invoices raised by Inverclyde Leisure since April 2010 is provided in Appendix 1

3.0 RECOMMENDATION

- 3.1 That the Committee note the historical debt of £9,145 for Pitch and School Lets invoices raised prior to April 2010 by Inverclyde Council.
- 3.2 That the Committee note the current outstanding debt of £42,490 for invoices raised by Inverclyde Leisure since April 2010.

Jan Buchanan
Head of Finance

Patricia Cassidy
Corporate Director Education, Communities & OD

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the level of outstanding debt for Pitch and School Lets as at 31 January 2014.
- 4.2 A balance of £9,145 remains outstanding for invoices raised by Inverclyde Council prior to April 2010. The majority of this debt is prescribed or owed by organisations that no longer exist and as a result, there is little prospect of recovering any of this money. These debts will be written off as appropriate as part of the normal accounting year end procedure for 2013/14 in line with the Council's bad debt policy.
- 4.3 The booking office responsible for the management of Pitches and School Lets transferred to Inverclyde Leisure in April 2010. The functions of invoicing and collecting income from customers are carried out by Inverclyde Leisure and all sums collected are then remitted to Inverclyde Council.
- 4.4 As at 31 January 2014 the level of outstanding debt for invoices raised by Inverclyde Leisure since April 2010 amounts to £42,490. Included in this balance is £16,519 relating to the current financial year. Approximately £30,000 of the balance relates to payments made to Inverclyde Council in error by Inverclyde Leisure prior to money being received by them from customers. These transactions have previously been reported to the Education & Communities Committee as part of the Revenue Budget reports. Appendix 1 provides a detailed aged debt analysis for this debt.
- 4.5 Procedures have now been put in place by Inverclyde Leisure to ensure that only income collected from customers is remitted to Inverclyde Council. Officers of the Council and Inverclyde Leisure are working closely to manage the outstanding debts. The normal Council policy for bad debt recovery applies to these transactions and this includes the ability to suspend bad debtors from using Council facilities.

5.0 IMPLICATIONS

5.1 Finance

All financial implications are discussed in detail within the report above.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £	Virement From	Other Comments
Leisure	Bad Debt Provision	2013/14	9,000	N/A	Write off of pre April 2010 debts

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £	Virement From	Other Comments
N/A					

5.2 Legal

There are no specific legal implications arising from this report.

5.3 Human Resources

There are no specific human resources implications arising from this report.

5.4 Equalities

There are no equalities issues within this report.

5.5 Repopulation

There are no repopulation issues within this report.

6.0 CONSULTATION

6.1 The paper has been jointly prepared by the Corporate Director Education, Communities & Organisational Development and the Head of Finance.

7.0 BACKGROUND PAPERS

7.1 There are no background papers for this report.

Aged Debt Analysis**Appendix****Football**

	Number	2013/14 (debt at 31/01/14)	2012/13	2011/12	2010/11	Total
0-250	6	139.75	241.90	522.96	170.25	1074.86
251-750	10	3125.55	1154.05	553.80	109.20	4942.60
751-1500	3	1100.95	1096.60	419.90	614.25	3231.70
1501-3000	4	3464.15	1426.77	3049.40	655.20	8595.52
3000+	3	5421.42	6261.56	1661.30	330.90	13675.18
Total	<u>26</u>	<u>13251.82</u>	<u>10180.88</u>	<u>6207.36</u>	<u>1879.80</u>	<u>31519.86</u>

Other Sport

	Number	2013/14	2012/13	2011/12	2010/11	Total
0-250	0	0.00	0.00	0.00	0.00	0.00
251-750	1	0.00	0.00	0.00	422.08	422.08
751-1500	0	0.00	0.00	0.00	0.00	0.00
1501-3000	1	1292.88	238.50	0.00	0.00	1531.38
3000+	0	0.00	0.00	0.00	0.00	0.00
Total	<u>2</u>	<u>1292.88</u>	<u>238.50</u>	<u>0.00</u>	<u>422.08</u>	<u>1953.46</u>

Community

	Number	2013/14	2012/13	2011/12	2010/11	Total
0-250	2	0.00	0.00	156.00	132.00	288.00
251-750	1	0.00	0.00	0.00	678.82	678.82
751-1500	3	908.85	0.00	1803.30	884.15	3596.30
1501-3000	0	0.00	0.00	0.00	0.00	0.00
3000+	0	0.00	0.00	0.00	0.00	0.00
Total	<u>6</u>	<u>908.85</u>	<u>0.00</u>	<u>1959.30</u>	<u>1694.97</u>	<u>4563.12</u>

Other Lets

	Number	2013/14	2012/13	2011/12	2010/11	Total
0-250	9	214.50	568.50	510.65	253.47	1547.12
251-750	6	851.10	781.50	753.05	521.10	2906.75
751-1500	0					0.00
1501-3000	0					0.00
3000+	0					0.00
Total	<u>15</u>	<u>1065.60</u>	<u>1350.00</u>	<u>1263.70</u>	<u>774.57</u>	<u>4453.87</u>

Total All Lets

	Number	2013/14	2012/13	2011/12	2010/11	Total
0-250	17	354.25	810.4	1189.61	555.72	2909.98
251-750	18	3976.65	1935.55	1306.85	1731.2	8950.25
751-1500	6	2009.8	1096.6	2223.2	1498.4	6828.00
1501-3000	5	4757.03	1665.27	3049.4	655.2	10126.90
3000+	3	5421.42	6261.56	1661.3	330.9	13675.18
Total	<u>49</u>	<u>16519.15</u>	<u>11769.38</u>	<u>9430.36</u>	<u>4771.42</u>	<u>42490.31</u>