

### Appendix to Minute with reference to Item 5.3

Table 1 below summarises the current debt position

Table 1

	No of Employees	Debt currently outstanding (£)
Direct payroll deductions in place	103	£485,863.85
Other payment arrangements in place, including Sherriff Officers	60	£72,861.62
Arrangements yet to be secured	27	£198,330.26
<b>The Total</b>	<b>190</b>	<b>£757,055.73</b>

The original data match in March 2014 identified employee debt at £898,766.66. New start debt checks since then has identified debt for new employees joining the Council of £1,266,316.81. Accordingly the total employee debt identified through the original data match and for new recruits since April 2015 if no action was taken amount to £2,165,083.48

Note that where debt is identified for potential new starts it does not prohibit their recruitment but there is a requirement for a payment arrangement to be put in place before they join the Council. Our employee code of conduct states makes it clear that failure to make and keep to an arrangement for the repayment of monies due to the Council would be considered to be breach of the code and so dealt with as a disciplinary matter.

As table 1 identifies the current debt outstanding stands at £757,055.73 which represents a reduction of £1,408,027.75 or 65% over the period since March 2014. This comes from £846,023.56 collected on mandate and £562,004.19 paid direct to the Council/Sheriff Officer etc

It should be noted that the debts reported includes all debt types, although mainly Council Tax. Analysis highlights that the vast majority of the debt is due by employees who are at the lower end of our pay and grading structure (grade 4 or less) and or part time staff. As such earnings can be too low to attract any or sufficient deductions from an earnings arrestment. When discussing a payment arrangement with a new staff member with an earnings arrestment in place with Walker Love, we would normally cancel it and replace with our own staff mandate.

There are currently 27 cases with an average debt of £7,345.57 where further action is being investigated.

I hope this additional information provides greater clarity on the action which has and continues to be taken in respect of employees who also debtors to the Council. “