

## **WRITE-OFF OF IRRECOVERABLE ARREARS 2020/21**

Presented by the Head of Finance

### **SUMMARY**

This report advises Members of delegated action taken by the Head of Finance to write-off any irrecoverable arrears below the value of £2,000.

Amounts over this value require individual Member approval. There are no individual sums of irrecoverable arrears over £2,000 for 2020/21.

During 2020/21, one debt has been written-off under delegated authority totalling £1,432.78. This is equivalent to 0.04% of the total value of invoices raised for the financial year.

### **RECOMMENDATION**

Members Note: (1) the delegated write-off for 2020/21 as detailed in paragraphs 3 to 4 of this report.

### **BACKGROUND**

- 1 Members agreed delegated authority to the Head of Finance to write-off irrecoverable debts with a value of up to £2,000 subject to an annual report on the exercise of that delegation (11 March 1999, Paper FP1594). This delegated authority is part of Financial Regulations (FR 401).
- 2 This report advises Members of action taken by the Head of Finance during 2020/21 to write-off debts considered irrecoverable or uneconomic to pursue.

### **USE MADE OF DELEGATED POWERS TO WRITE-OFF DEBTS**

- 3 Debts written-off under delegated authority occur where costs of recovery are anticipated to significantly exceed the debt and that the likelihood of recovery is small. Debt write-off is only considered when all normal recovery procedures have been followed and exhausted.
- 4 The Head of Finance has written-off one individual debt totalling £1,432.78 during 2020/21. A bad debt provision for the full amount was set aside in respect of this item in the 2020/21 accounts, so this will have already been excluded

from the Authority's income. As a consequence, the amount written-off under delegated authority will have no impact on the 2020/21 revenue outturn.

The debt written-off in 2020/21 related to mooring fees, and subsequent interest and recovery costs, from 2010/11. The debt was passed to the legal recovery company, the customer is untraceable, and we have little chance of obtaining settlement now.

- 5 The Authority raised 3,473 invoices during 2020/21, collecting net income of approximately £3.79 million.

#### **ENVIRONMENTAL IMPLICATIONS**

- 6 There are no environmental implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

- 7 In the absence of any provision for specific debts that may not be recoverable, the Authority has made a prudent provision of £1,100 against current debts that may potentially be written-off at a future date and that are still subject to legal recovery. This represents 0.5% of the outstanding accounts receivable debtor balance as at 31 March 2020, and is in line with historic write-off trends.

#### **HUMAN RESOURCE IMPLICATIONS**

- 8 There are no human resource implications arising directly from the recommendations in this report.

#### **LEGAL IMPLICATIONS**

- 9 There are no legal implications arising directly from the recommendations in this report.

#### **RISK MANAGEMENT IMPLICATIONS**

- 10 There are no risk management implications arising directly from the recommendations in this report.

#### **EQUALITY IMPLICATIONS**

- 11 There are no equality implications arising directly from the recommendations in this report.

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Author: Keith Kellard, 01992 709 864, [kkellard@leevalleypark.org.uk](mailto:kkellard@leevalleypark.org.uk)

#### **BACKGROUND REPORTS**

Financial Regulations

October 2020

**PREVIOUS COMMITTEE REPORTS**

Authority	Paper A/4280/20	Write-off of Irrecoverable Arrears 2019/20	23 April 2020
Authority	Paper A/4269/19	Write off of Irrecoverable Arrears 2018/19	25 April 2019
Authority	Paper A/4253/18	Write off of Irrecoverable Arrears 2017/18	26 April 2018
Authority	Paper A/4241/17	Write off of Irrecoverable Arrears 2016/17	27 April 2017