



LEE VALLEY REGIONAL PARK AUTHORITY
AUTHORITY MEETING
24 APRIL 2024 AT 14:00

Agenda Item No:

7

Report No:

A/4364/25

WRITE-OFF OF IRRECOVERABLE ARREARS 2024/25

Presented by the Head of Finance

SUMMARY

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

Amounts over this value require approval of the full Authority. There are two individual sums of irrecoverable arrears over £2,000 for 2024/25 which are recommended for write-off and are detailed in the body of the report.

During 2024/25 there have been nine debts written off under delegated authority totalling £5,947.

The total value of write-offs relates to only 0.4% of invoices raised in the financial year.

RECOMMENDATION

Members Approve: (1) the two write-offs detailed in paragraphs 6 to 8 of this report; and

Members Note: (2) the nine debts written off under delegated authority in 2024/25 as detailed in paragraph 5

BACKGROUND

- 1 Members agreed delegated authority to the Head of Finance to write-off irrecoverable debts with a value of up to £2,000 each subject to an annual report on the exercise of that delegation to Authority. This delegation is set out in Financial Regulations (FR 401).
- 2 This report advises Members of action taken by the Head of Finance during 2024/25 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 approved the write-off of nine debts under delegated authority totalling £5,947 during the 2024/25 financial year. A bad debt provision of £5,550 was set aside for non-recovery of debts and therefore these write-offs will have only have a £397 impact on revenue in the 2024/25 accounts.
- 5 The nine debts are broken down as follows.

Site	No	Value
Stanstead Marina	3	£931
Springfield Marina	1	£1,101
Sewardstone Campsite	2	£337
Dobbs Weir Caravan Park	1	£1,770
Commercial Property	1	£1,648
Learning and Engagement	1	£160
TOTAL	8	£5,947

For the Marina debts, two related to debts that we referred to a external recovery agent – Legal Recovery and Collections (LRC), but in each case the customer was unable to be tracked and the debts are uneconomical to pursue further. One related to a boat that was damaged due to a fire at the venue and a decision was agreed that outstanding fees would be waived, and the remaining one was an agreement with the owner that they remove their boat and we would not pursue the debt further.

Of the Campsite debts, two were of value and relate to where the customer left without fully paying amounts outstanding. They were referred to LRC to attempt collection, but are now deemed uneconomical to pursue any further. The remaining debt was for a long term user who was paying regularly but fell into arrears in 2022. The debt was referred to LRC and we received a substantial percentage of the debt, before payment stopped. Bailiffs were appointed in July 2023 but failed to make contact after several visits, and LRC have now closed the case.

In the case of the Property debt the customer was referred to LRC but their location is unknown and the case has been closed.

The Learning and Enggement write-off actually relates to a credit note received for coach hire under the Community Access Fund. The school group visit did not proceed, but the hire company has now gone into liquidation and recovery of funds will not be possible.

- 6 In addition to the delegated write-offs, there are two items above the delegated threshold of £2,000 for which Member approval is required.
- 7 The first is a long standing property debtor where we have already made a provision for debt write-off in 2021/22 although we continued to pursue the debt through LRC. The total outstanding debt is £15,662. The Authority acquired land in 2013, subject to this lease of the property remainining in place. The lease was subsequently forfeited in 2019 due to non-payment of rent. The customer was referred to LRC and some payment was received, but following this ceasing an employment trace was carried out. The customer is of an age where they are no longer employed and their expenses are higher than income. It is unlikley that we

will be able to recover any more of the outstanding debt. Writing off this debt will have no impact on the 2024/25 revenue outturn.

- 8 The second debt relates to an abandoned boat at Stanstead Marina, with a net total of £2,411. Following a review of operations at the Marinas last year, a number of boats were identified as being abandoned. Whilst the majority were cleared last year, this one remained as we did have some ownership details. The boat had come into the Marina on a temporary basis, but the customer had not completed and signed mooring forms. We instructed LRC to attempt a trace but this was unsuccessful and we have been unable to pursue the customer further. The boat had little value and has since been removed from the marina, thus freeing up space for another customer.

As no provision has been made against this debt, writing it off will have direct impact on the 2024/25 revenue outturn.

- 9 Currently the Authority has 11 debts which have been passed to external recovery services. In total, these amount to £51,207 outstanding, including VAT, court fees and costs, and relate to periods from 2016 to 2021. Whilst these are in the recovery stage, unless otherwise advised, we assume the full debt will be recovered. Where there is an expectation that this may not be possible, we will in the first instance make a bad debt provision.
- 10 The Authority raised 2,780 invoices during 2024/25, collecting net income of approximately £6.42 million. The written off debts represents only 0.37% of the total invoice value raised during the year, and 0.4% of invoices raised in the year.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 12 In addition to an existing specific bad debt provisions of £1,321, the Authority has made additional specific provisions against five further debts totalling £13,079, as well as an additional provision of £3,100 against other current debts that may potentially be written off at a future date. This general provision represents 0.5% of the outstanding accounts receivable debtor balance as at 31 March 2025.

The total year end provision for bad debts is £17,500.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

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

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BACKGROUND REPORTS

Financial Regulations

October 2024

PREVIOUS COMMITTEE REPORTS

Authority	Paper A/4350/24	Write-off of Irrecoverable Arrears 2023/24	25 April 2024
Authority	Paper A/4334/23	Write-off of Irrecoverable Arrears 2022/23	27 April 2023
Authority	Paper A/4317/22	Write-off of Irrecoverable Arrears 2021/22	28 April 2022
Authority	Paper A/4296/21	Write-off of Irrecoverable Arrears 2020/21	29 April 2021
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