

## **WRITE OFF OF IRRECOVERABLE ARREARS 2021/22**

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 2021/22.

During 2021/22 there have been no debts written off under delegated authority.

### **RECOMMENDATION**

Members Note: (1) no debts have been written off under delegated authority in 2021/22.

### **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 2021/22 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 not approved the write off of any debts under delegated authority during the 2021/22 financial year.
- 5 Currently the Authority has 7 debts which have been passed to external

recovery services. In total these amount to £32,620. 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. We have made a provision of £16,800 directly relating to these debts. This sum relates to a single debt which has been outstanding since 2018.

- 6 The Authority raised 4,775 invoices during 2021/22, collecting net income of approximately £6.55 million.

### **ENVIRONMENTAL IMPLICATIONS**

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

### **FINANCIAL IMPLICATIONS**

- 8 In addition to the specific bad debt provision of £16,800 relating to debts in recovery stage, the Authority has made an additional provision of £1,100 against other current debts that may potentially be written off at a future date. This represents 0.5% of the outstanding accounts receivable debtor balance as at 31 March 2022, and is in line with historic write off trends.

### **HUMAN RESOURCE IMPLICATIONS**

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

### **LEGAL IMPLICATIONS**

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

### **RISK MANAGEMENT IMPLICATIONS**

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

### **EQUALITIES IMPLICATIONS**

- 12 There are no equalities implications arising directly from the recommendations in this report.

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### **BACKGROUND REPORTS**

Financial Regulations

October 2020

### **PREVIOUS COMMITTEE REPORTS**

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

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