



WRITE-OFF OF IRRECOVERABLE ARREARS 2023/24

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 no individual sums of irrecoverable arrears over £2,000 for 2023/24.

During 2023/24 there have been nine debts written-off under delegated authority totalling £1,515.

RECOMMENDATION

Members Note: (1) the debts written off under delegated authority in 2023/24.

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 2023/24 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 £1,515 during the 2023/24 financial year. A general bad debt provision of £2,000, along with a specific provision of £620 for one of these debts,

was set aside for non-recoverable debts and therefore these write-offs will have no direct impact on revenue in the 2023/24 accounts.

5 The nine debts are broken down as follows.

Site	No	Value
Edmonton Campsite	2	£43
Sewardstone Campsite	2	£84
Dobbs Weir Caravan Park	1	£129
Almost Wild Campsite	1	£42
Stansted Abbots Marina	2	£967
Commercial Property	1	£250
TOTAL	9	£1,515

The Campsite debts are all of lower value and relate to where the customer has either left, or has been requested to leave site, without fully paying amounts outstanding. All are uneconomical to pursue any further.

With regard to the Marina debts, one related to debt from 2020 which was disputed and we found there was no signed mooring agreement because of Covid-19 lockdown procedures. The other marina debt we agreed to write-off where the boat transferred ownership.

In the case of the Property debt the customer has entered into administration and there is little chance of obtaining settlement.

- 6 Currently the Authority has 11 debts which have been passed to external recovery services. In total, these amount to £169,344 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. We have an existing provision of £16,800 directly relating to one of these debts, which has been outstanding since 2018. Additionally, we have made further provisions for £1,320 and £1,510 relating to debts outstanding since 2020 and 2023 respectively, where in both cases traces have not been able to locate the customer. These will all likely need to be written-off in 2024/25.
- 7 The Authority raised 2,638 invoices during 2023/24, collecting net income of approximately £5.51 million. The written-off debt represents only 0.03% of invoices raised during the year.
- 8 Following return of the Marinas to Authority management officers have been reviewing the operations at both marinas and have identified a number of boats which appear to have been on hardstanding at Stansted Marina for a number of years, which appear to have been abandoned. These had come into the Marina on a temporary basis, but in most cases no contact has been had with the customers in spite of numerous attempts at contact.

Whilst these have been taking up space, no debt/income has been recorded. As a result, there is no specific debt to write-off, although it has meant we have not been able to achieve any income for the areas occupied by these boats.

Officers have now put in place a procedure for dealing with abandoned boats, and have a contractor in place to remove any from the Marina. We have also updated the procedure relating to temporary mooring, which restricts these to a maximum of three months, and the interntion going forward will be to require upfront payments.

ENVIRONMENTAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 10 In addition to the specific bad debt provisions of £19,630, the Authority has made an additional provision of £2,900 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 2024, and is in line with historic write-off trends.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY IMPLICATIONS

- 14 There are no equality 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/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