

## **WRITE-OFF OF IRRECOVERABLE ARREARS 2017/18**

Presented by the Director of Finance & Resources

### **SUMMARY**

This report advises Members of delegated action taken by the Director of Finance & Resources 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 2017/18.

During 2017/18 two debts have been written-off under delegated authority totalling £1,602.91. This is equivalent to 0.09% of the total value of invoices raised for the Authority in the financial year.

### **RECOMMENDATION**

Members Note: (1) the delegated write-offs for 2017/18 as detailed in paragraphs 3 to 7 of this report.

### **BACKGROUND**

- 1 Members agreed delegated authority to the Director of Finance & Resources 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 402).
- 2 This report advises Members of action taken by the Director of Finance & Resources during 2017/18 to write-off debts considered irrecoverable or uneconomic to pursue.

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

- 3 The Director of Finance & Resources has written-off two individual debts totalling £1,602.91 during 2017/18. A bad debt provision was set aside in respect of the full amount of these items in the 2016/17 accounts. Therefore these items will have no direct impact on revenue in the 2017/18 accounts.
- 4 The Authority raised 914 invoices during 2017/18, collecting net income of

approximately £1.7million. The sum written-off under delegated authority represents 0.09% of this figure.

- 5 The write-offs under delegation relate to debts that had been accrued before the transfer of facilities to Lee Valley Leisure Trust Ltd (the Trust) at the beginning of April 2015 and are the liability of the Authority under the Leisure Services Contract. Any new liabilities arising from this date reside with the Trust.
- 6 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.
- 7 The two debts written off in 2017/18 relate to Lee Valley White Water Centre and Lee Valley VeloPark. In both cases the companies involved are insolvent.

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

- 9 The Authority has already made a provision for £1,914.70 against two current debts that may potentially be written off at a future date and that are still subject to legal recovery.

#### **HUMAN RESOURCE IMPLICATIONS**

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

#### **LEGAL IMPLICATIONS**

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

#### **RISK MANAGEMENT IMPLICATIONS**

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

#### **EQUALITY IMPLICATIONS**

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

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#### **BACKGROUND REPORTS**

Financial Regulations

April 2015

**PREVIOUS COMMITTEE REPORTS**

Authority	Paper A/4241/17	Write off of Irrecoverable Arrears 2016/17	27 April 2017
Authority	Paper A/4226/16	Write off of Irrecoverable Arrears 2015/16	28 April 2016
Authority	Paper A/4204/15	Write off of Irrecoverable Arrears 2014/15	30 April 2015
Authority	Paper A/4184/14	Write off of Irrecoverable Arrears 2013/14	24 April 2014
Authority	Paper A/4168/13	Write off of Irrecoverable Arrears 2012/13	25 April 2013

**ABBREVIATIONS**

the Trust      Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

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