

 <p><b>LEE VALLEY REGIONAL PARK AUTHORITY</b></p> <p><b>AUTHORITY MEETING</b></p> <p><b>25 APRIL 2019 AT 14:00</b></p>	<p><b><u>Agenda Item No:</u></b></p> <p style="text-align: center;"><b>9</b></p> <p><b><u>Report No:</u></b></p> <p style="text-align: center;"><b>A/4269/19</b></p>
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## **WRITE-OFF OF IRRECOVERABLE ARREARS 2018/19**

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 is one individual irrecoverable amount over £2,000 for 2018/19 which is recommended for write-off, and is detailed in the body of the report.

During 2018/19, three debts have been written-off under delegated authority totalling £1,606.92. This is equivalent to 0.09% of the total value of invoices raised for the financial year.

### **RECOMMENDATION**

- Members Approve:                   (1)    the write-off detailed in paragraphs 5 to 7 of this report; and
- Members Note:                       (2)    the delegated write-offs for 2018/19 as detailed in paragraphs 3 to 4 of this report.

### **BACKGROUND**

- 1    Members 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 2018/19 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 three individual debts

totalling £1,606.92 during 2018/19. A bad debt provision of £481.92 was set aside in respect of these items in the 2017/18 accounts, so this will have already been excluded from the Authority's income. As a consequence, the amounts written-off under delegated authority will have negligible effect on the 2018/19 revenue outturn.

- 4 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.

The three debts written-off in 2018/19 related to property rentals, all were passed to a legal recovery company and the customer is either untraceable, or has entered into administration and there is little chance of obtaining settlement.

- 5 In addition to delegated write-offs, there is one item above the delegated threshold of £2,000 for which Member approval is required.

The Authority uses a legal recovery company to enforce its debt collection policy, but this debtor has been declared bankrupt. It is officer's view that this debt is now no longer economic to collect and will incur additional fees with a negligible chance of recovery. A brief history of this debt is set out below.

- 6 The debtor owes £5,599.51 in respect of works to a boat and mooring fees at Stanstead Abbots Marina, between the period March 2012 and March 2013. Of this, £1,788.67 relates to fees and interest associated with legal recovery.

After receiving the standard Authority debt recovery letters, the customer was referred to Legal Recovery and Collections (LRC). A court claim was issued in February 2013 and after a lengthy settlement period judgement was entered in May 2015.

The debtor was instructed to pay £50 per month, which was paid intermittently between 2015 and 2017. The debtor was finally declared bankrupt in March 2018. The boat is on hardstanding at the Marina, but it has only minimal value so will not cover any of the debt. The marina will be instructed to have the boat removed/destroyed to free up a hardstanding area for new customers.

- 7 This item relates to debt accrued before the transfer of facilities to Lee Valley Leisure Trust Ltd (the Trust) at the beginning of April 2015 and is the liability of the Authority under the Leisure Services Contract (LSC). Any new liabilities arising from April 2015 reside with the Trust.
- 8 The Authority raised 828 invoices during 2018/19, collecting net income of approximately £1.7million. The sum written-off under delegated authority/proposed for write-off represents 0.42% of this figure.

#### **ENVIRONMENTAL IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

- 10 The Authority has already made a provision for £1,432.78 against one current

debt that may potentially be written-off at a future date and that is still subject to legal recovery.

#### **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.

Author: Simon Sheldon, 01992 709 859, [ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk)

#### **BACKGROUND REPORTS**

Financial Regulations

April 2015

#### **PREVIOUS COMMITTEE REPORTS**

Authority	Paper A/4253/18	Write off of Irrecoverable Arrears 2017/18	26 April 2017
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

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