

PAPER NO. 3

REPORT TO THE EXECUTIVE MEETING OF 25 MARCH 2013

Meeting: Executive
Date: 25 March 2013
Subject: Sundry Debt Write Offs
Report of: Kirsty Cowell, Finance Services Manager
Portfolio Holder: Cllr Spendlove-Mason
Status: For approval

1 Purpose of the Report

1.1 To obtain approval to write off debts in respect of Sundry Debts.

2 Recommendations:

2.1 **To approve write off of Sundry Debts as listed in Appendix A.**

3 Summary of Reasons for the Recommendations

3.1 The Council's Constitution and supporting Financial Regulations delegates the responsibility for writing off individual debts up to and including £1k to the Head of Financial Services under the scheme of delegation. Above this threshold debts (greater than £1k) are written off by the Executive.

3.2 Since the deletion of the post of Head of Financial Services this reverts to the Chief Finance Officer, who subsequently delegated this responsibility to the Finance Services Manager.

3.3 The Council only writes off debt where it is irrecoverable for example where a customer has died and there are no assets, or a business is bankrupt and has no assets. The only exception to this is where a debt is not cost effective to recover.

3.4 The council is prudent in managing debt and makes provision for them in its annual statement of accounts. This ensures that the writing off of bad debt has no detrimental affect on service provision or the council taxpayer.

3.5 Details of accounts with individual values above £1k in respect of Sundry Debt are set out in **Appendix A** attached to this report.

3.6 The table below shows the value of accounts written off since the last report. The amounts over £1k are those authorised by the Executive at its meeting on 3 September 2012.

Table 1

Debts Write Off Summary - Period 1 August 2012 to 28 February 2013

Fund	Number	Over £1k	Number	Under 1k	Total
Sundry Debtors	8	£92,585.69	58	£7,067.01	£99,652.70
4	<u>Impact on Communities</u>				
4.1	There is no direct impact on the Community as a result of this report.				
5	<u>Key Facts</u>				
5.1	With the current economic climate, individuals and businesses may find it harder to pay for goods or services that the Council has invoiced and as such, there may be an increase in the number of debtors who abscond with arrears left owing.				
5.2	By not writing off bad debts efficiently, this can affect collection rates by inflating arrears figures.				
5.3	With limited resources, it is not cost effective to spend the same amount of time tracing all levels of debt.				
6	<u>Legal Issues</u>				
6.1	There are no legal issues as a result of this report.				
7	<u>Resource Issues</u>				
7.1	There are no issues arising out of this report				
8	<u>Equality Impact Assessment Implications/Outcomes</u>				
8.1	There are none arising directly out of this report.				
9	<u>Impact on the Organisation</u>				
9.1	It is normal financial practice to ensure that the council is not carrying amounts that it has identified as irrecoverable through due process in its financial statements.				
10	<u>Community Safety Implications</u>				
10.1	None arising from this report.				
11.	<u>Carbon Management Implications</u>				

11.1 None arising from this report.

12. Risk Management Implications

12.1 If proper debt management and accounting procedures are not followed in the management and writing off of debt then the council could be criticised by the external auditor as part of the annual 'Use of Resources Assessment'.

13 Consultation

13.1 The Portfolio Holder has been consulted on this report.

14 Options Considered

14.1 None arising from this report.

15 Background Papers

15.1 Council's Corporate Debt Policy.

Previous report(s): Report to Executive 3 September 2012 – Sundry Debt Write Offs

Information Issued Under Sensitive Issue Procedure: ~~Y~~/N

Ward Members Notified: ~~Y~~/N

Appendices: *list any appendices here including title and filename in brackets (e.g. Performance Data 2010 (perfddata.doc)).*

A. Sundry Debt Write Offs.