

**BODY:** CABINET

**DATE:** 29 May 2013

**SUBJECT:** Write off of Irrecoverable Debts

**REPORT OF:** Chief Finance Officer

**Ward(s):** All

**Purpose:** To seek Cabinet approval for the write off of debts in excess of £5,000 as required by Financial Procedure Rule 4.26.

**Contact:** Pauline Adams, Financial Services Manager  
Tel 01323 415979 or internally on ext 5979

**Recommendations:** Members are asked to approve the write off of irrecoverable debts as listed in the Exempt Appendix totalling £124,831.

### **1.0 Introduction**

1.1 Financial Procedure Rule 4.26 provides delegated authority to the Chief Finance Officer for the write off of irrecoverable debts below £5,000. Beyond that limit, unless particular circumstance apply (like bankruptcy, liquidation etc) the approval of Cabinet is required.

### **2.0 Write Offs**

2.1 Details of the write-offs being recommended for write off by Cabinet are listed in the Exempt Appendix to the report with brief explanations of the circumstances.

2.2 In all cases a number of methods of collection were attempted before the debts were recommended for write off. The Council does continue to monitor with a view to collecting, however it is best practice to write the debts out of the Council's accounts.

### **3.0 Financial Implications**

3.1 The write offs do not have an immediate financial effect on the current year's budget as the bad debt provision is greater than the write off total. However, the making of that provision did have a cost implication at the time the provision was made. The Council maintains provisions against the level of debts outstanding as follows:

	% of total debt held as provision	Funded by:
Council Tax	40	14% EBC with the remaining 86% by East Sussex CC, East Sussex Fire and Sussex Police
NNDR	24	100% Central Government until 31.3.13 thereafter 50% Central Government, 40% EBC, 9% East Sussex CC & 1% East Sussex Fire.
HB Overpayments	78	EBC General Fund
Sundry Debtors	9	EBC General Fund
Housing Rents	70	EBC HRA

<b>4.0</b>	<b>Consultation</b>
4.1	Not Applicable
<b>5.0</b>	<b>Conclusion</b>
5.1	Whilst recovery action is ongoing, it is best practice to per potential bad debts and review the amount of bad debt pr debt classes.

<b>Background Papers:</b>
None