

BODY: CABINET

DATE: 5 February 2014

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
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Recommendations: Members are asked to approve the write off of irrecoverable debts as listed in the Appendix totalling £141,329.73.

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 circumstances 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 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.

2.3 The write off does not mean that debt is not still due to the council and in cases where circumstances have changed the debt will be written back on and recovery pursued.

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:

	As % of total debt	Funded by
Council Tax	48%	14% EBC with the remaining 86% by East Sussex CC, East Sussex Fire and Sussex Police
NNDR	23%	50% Central Government, 40% EBC, 9% East Sussex CC & 1% East Sussex Fire.
HB Overpayments	77%	EBC General Fund
Sundry Debtors	9%	EBC General Fund
Housing Rents	70%	EBC HRA

4.0 Consultation

4.1 Not Applicable

5.0 Conclusion

5.1 This report seeks Cabinet approval for the write off of irrecoverable debts in excess of £5,000 totalling £141,329.73 where all other methods of recovery have been unsuccessful and it is not deemed appropriate to pursue the debts further.

Pauline Adams
Financial Services Manager

Background Papers:

There were not background papers used in compiling this report