

CABINET

4 JUNE 2013

WRITE OFF OF UNCOLLECTABLE AMOUNTS

Report of the Strategic Director for Resources

STRATEGIC AIM:	All		
KEY DECISION	NO	DATE ITEM FIRST APPEARED ON FORWARD PLAN	26 April 2013

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval for write off of uncollectable amounts which fall outside the level of delegated authority awarded to the Strategic Director for Resources.

2. RECOMMENDATIONS

- 2.1 That Cabinet note the action taken to recover outstanding debts.
- 2.2 That Cabinet approve the write off of debts shown in Appendix A.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 There is a very low likelihood of collecting the debts as the Council has exhausted all recovery options available, it is therefore prudent to write off the debts.

4. BACKGROUND

- 4.1 The Strategic Director for Resources has delegated authority to write off debts up to £2,500.
- 4.2 Every effort is made to collect all monies due by the most appropriate and effective recovery method.
- 4.3 Debts arising due to bankruptcy and insolvency are pursued as far as possible and a claim is always made with the administrators or liquidators, however dividends are rarely received as local authority debts are not classed as preferential debts.
- 4.4 Debts arising from absconders investigated using third party tracing agents prior to request for write off. Should the debtor be discovered at a later date the write off will be reversed and the debt reinstated.

- 4.5 Debts arising where individuals have died are pursued with the executor or administrator of their estate or if there is one at all. In the cases where the individual has no assets of any value an executor or administrator is not always necessary and in these cases the debt is more difficult to pursue.
- 4.6 Whilst the overall level of sundry debt remains at a level similar to prior years at c£2m, the Council continues to review procedures in line with the Council's Corporate Debt Recovery Policy. A number of measures will be implemented to increase the effectiveness of recovery of sundry debtors, in particular earlier engagement of budget managers in the debt recovery process, refusal to pay invoices or provide services, where appropriate, for any debtor with arrears outstanding for more than 60 days and greater involvement of the People Directorate in pursuing adult and social care debts where there may be sensitive issues.

5. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	It is prudent that uncollectable debts are written off promptly.
Viability	Not applicable	
Finance	Medium	A bad debt provision is made for write off of debts. If the provision increases then this has an impact on General Fund balances.
Profile	Low	Write offs have a minimal impact upon our collection rates which remain high.
Equality and Diversity	Low	The screening assessment for the EIA was Completed. A full EIA is not required.

6. REASONS WHY APPENDIX A IS MARKED "NOT FOR PUBLICATION"

- 6.1 APPENDIX A is marked "Not For Publication" because it contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Background Papers
None

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A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.