

REPORT

To: GENERAL PURPOSES COMMITTEE	Subject: GENERAL DEBTORS BAD DEBT WRITE-OFF 2003/2004
From: DIRECTOR OF ADMINISTRATION	
Date: 9 May 2006	Ref: JAF/AC

1. Purpose of Report

- 1.1 This report presents a summary of outstanding debtor accounts for the financial year from April 2003 to March 2004 which are deemed uncollectable following all attempts at recovery. A bad debt collection provision has been included within the annual accounts recognising the non-collection of these accounts.

2. Background

- 2.1 The Council issues invoices annually with an approximate value of £68m. Of this amount, approximately £25,000 relates to services which are the responsibility of the General Purposes Committee and the Policy and Resources (Personnel) Sub-Committee covering -

- Sports Ground operators
- Cheques which have not been honoured for registration fees and mortgage enquiries
- Gone away / No trace
- Recovery exhausted

- 2.2 To improve the collection of debt, the Council is engaged in a number of activities aimed at improving collection rates, reducing debt arising and streamlining the recovery process. These include -

- Payments in advance
- Centralised Debt Recovery Team
- Improved use of external collection agents

- 2.3 Notwithstanding these improvements, there will continue to be an appraisal of the outstanding balances to assess those deemed uncollectable. This annual process conforms to best practice and is underpinned by a systematic approach to recovery and a realistic assessment of the expected collection of outstanding balances.

- 2.4 The write-off of an invoice within the accounts ensures a realistic assessment of expected income. However, the Council will continue to seek collection of the outstanding balances if the circumstances of the debtor alter and recovery is deemed practical.

3. Summary of Bad Debt Write-Off

- 3.1 An analysis of the outstanding balances has been conducted. A sum of £416.63 has been identified as uncollectable.

- 3.2 The Director of Finance, under the Scheme of Delegation, has exercised powers to write-off those balances under £250.
- 3.3 An analysis of the total write-off proposal is summarised below. All fall into the category of Small balances/ Recovery exhausted. It is uneconomic to continue to seek recovery of the sums involved.

Cause Analysis	£
Deceased	
Liquidation / Sequestration	398.13
Gone away / No trace	18.50
Small balances / Uneconomic to pursue	
Others	
Total	416.63

Value Analysis	£
< £250	18.50
£250 - £1,000	398.13
> £1,000	
Total	416.63

- 3.2 As detailed in paragraph 2.4, whilst approval is sought to write-off the sums within the financial systems, the Council will continue to monitor the situation and, if circumstances change, recovery of the sums due will be re-assessed.

4. Financial Implications

- 4.1 There are no budgetary implications arising from these recommendations as provision has been made within the departmental annual estimates.

5. Recommendation

- 5.1 The Committee is asked to note the exercise by the Director of Finance of delegated authority to write-off sums, all with a value of less than £250, and to authorise the write-off of other sums mentioned to the total value of £416.63.

4. a. 4007

Director of Administration

Members seeking further information on the contents of this report should contact John Fleming, Head of Central Services on Extension 2228.