

**Subject:** Half-yearly Bad Debt Write-off

**Status:** For Publication

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**Report to:** Cabinet

**Date:** 17<sup>th</sup> November 2010

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**Report of:** Finance Manager

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**Portfolio**

**Holder:** Finance and Resources

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**Key Decision:** No

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**1. PURPOSE OF REPORT**

1.1 The purpose of the report is to request Cabinet approval to write off sundry debtor invoices which now appear impossible to collect.

**2. CORPORATE PRIORITIES**

2.1 The matters discussed in this report are linked to and support each of the Council's priority areas however in particular they impact on following:

- *Providing value for money services* - Effective and strong Financial Management ensures the effective management of the Council's resources. These debts have been pursued to the fullest extent, yet remain uncollectible, therefore it is prudent to write them off immediately.

**3. RISK ASSESSMENT IMPLICATIONS**

3.1 Continuing to pursue debts where the likelihood of success is extremely remote takes up resources potentially better spent on recovering other debts.

**4. BACKGROUND AND OPTIONS**

4.1 At Appendix 1 attached is a schedule of all debts over £5,000 which officers of the council consider to be uncollectable and request permission to write off against the Bad Debt Provision. The total value of the schedule is £16,496.82.

4.2 In addition officers have determined a total of £2,630.85 (net of VAT) to be uncollectable, all of which are individually below the £5,000 delegation limit.

4.3 The value of the provision at 1<sup>st</sup> April 2010 was £155,558.94. After the write-offs listed above the balance remaining in the provision will be £136,431.27, which compares favourably to the requirement as at 30<sup>th</sup> September 2010 for a provision of £85k (see page 29 of the Financial Monitoring Report for period 6).

**COMMENTS FROM STATUTORY OFFICERS:**

**5. SECTION 151 OFFICER**

5.1 Financial matters are dealt with in the report. As the invoices in Appendix 1 are over £5,000 each they require member approval to write off.

**6. MONITORING OFFICER**

6.1 There are no specific implications for consideration.

**7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)**

7.1 There are no implications for consideration.

**8. CONCLUSION**

8.1 The remaining balance on the Bad Debts Provision is sufficient to cover the requirements during 2010/11. Therefore no further provision is anticipated in the current financial year.

**9. RECOMMENDATIONS**

9.1 That Members approve the schedule of debts for write-off attached at Appendix 1, totalling £16,496.82.

9.2 That Members note the total of £2,630.85 minor debts also written off and the remaining balance on the Bad Debts Provision of £136,431.27.

**10. CONSULTATION CARRIED OUT**

10.1 Heads of Service.

**11. COMMUNITY IMPACT ASSESSMENT**

Is a Community Impact Assessment required ~~Yes~~ / No  
Is a Community Impact Assessment attached ~~Yes~~ / No

**12. BIODIVERSITY IMPACT ASSESSMENT**

Is a Biodiversity Impact Assessment required ~~Yes~~ / No  
Is a Biodiversity Impact Assessment attached ~~Yes~~ / No

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<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
Debtors system control accounts	Financial Services – Exchequer Team