

Irrecoverable Debts – Sundry debtors, Commercial Rents, and Homeless Accounts

Report by the Executive Head of Financial Services

1. SUMMARY

- 1.1. This report details outstanding Sundry Debtors, Commercial Rents, and Homeless Accounts which have been the subject of lengthy recovery action and enquiries. In all cases the defaulter is insolvent, has died, absconded without trace or the amount is too small for economical recovery. The associated debts are now deemed to be irrecoverable and are therefore recommended for write-off.
- 1.2 This is the first report detailing debts to be written off this year.

2. BACKGROUND

- 2.1 Paragraph 8.4 of the Council's Financial Regulations require that irrecoverable debts of Sundry Debtors, Commercial Rents and Homeless Accounts over £2,500 are to be submitted to the Cabinet Member for Resources for write-off.
- 2.2 All outstanding arrears are regularly reviewed and an assessment made as to the likelihood of recovery. The scale of the effort made to collect each debt varies in proportion to the amount outstanding.
- 2.3 Any debt that is written off may subsequently be recovered due to various reasons including a dividend being received in an insolvency case or a debtor being traced.

3. FINANCIAL IMPLICATIONS

3.1 Sundry Debtors

- 3.1.1 The Council traditionally has achieved a very high level of Sundry Debtors collection, which compared favourably with other local authorities in Sussex.
- 3.1.2 In total, 12 Sundry Debtors debts individually less than £2,500 but together totalling £900.89 have been submitted to the Section 151 Officer simultaneously under the Financial Regulations described above.

3.2 **Commercial Rents**

3.2.1 An irrecoverable debt of £5765.25 covering 1 account is submitted for write-off within this report. Further sums may be submitted at later dates as and when circumstances indicate they have become irrecoverable. Exempt schedule attached.

3.3 **Homeless Accounts**

3.3.1 In total, 37 Homeless Accounts debts individually less than £2,500, totalling £12,402.48 has been submitted to the Section 151 Officer simultaneously under the Financial Regulations described above.

3.3.2 Schedules of all debts mentioned in this report are available for inspection through the Contact Officer.

4. **LEGAL**

4.1 Section 151 of the Local Government Act, 1972 provides that every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.

5. **CONCLUSIONS**

5.1 Considerable resources have already been expended in the effort to collect these arrears. Any further abscond enquiries or enforcement action would not be cost effective.

6. **RECOMMENDATIONS**

6.1 **That the Cabinet Member should approve the write-off of the debts referred to in paragraph 3.2.1.**

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Background Papers

**Held in Financial Services and
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