



Irrecoverable Debts

Report by the Chief Financial Officer

1.0 Summary

- 1.1 This report details an outstanding sundry debt which has been the subject of lengthy recovery action and enquiries. 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 over £2,500 to be written off in this financial year.

2.0 Background

- 2.1 Paragraph 8.4 of the Council's Financial Regulations require that irrecoverable debts of Sundry Debtors, Housing Benefit Overpayments, Commercial Rents and Homeless Accounts and Housing Rents over £2,500 are to be submitted to the Executive Member for Resources for write-off.
- 2.2 All outstanding debts 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.

3.0 Proposals

- 3.1 The following debts are submitted for write off:

Housing - Former Tenant Emergency Accommodation Arrears – irrecoverable debts totalling £16,763.23 covering four accounts.

Housing Benefits Overpayments - Irrecoverable debt totalling £115,231.04 covering 20 individuals over 37 accounts.

Exempt Schedule is attached.

3.2 The current level of bad debt provision held by Worthing Borough Council at present before the write offs proposed in the report are:

Sundry Debt Provision	£116k
HB Overpayment Debt Provision	£148k
Housing	£117k

4.0 Legal

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

5.0 Financial implications

5.1 Considerable resources have already been expended in the effort to collect this outstanding debt. Any further enforcement action would not be cost effective.

6.0 Recommendation

6.1 That the Executive Member for Resources should approve the write-off of the debt referred to in paragraph 3.1.

Local Government Act 1972

Background Papers:

None

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Schedule of Other Matters

1.0 Council Priority

1.1 Matter considered and no issues identified.

2.0 Specific Action Plans

2.1 Matter considered and no issues identified.

3.0 Sustainability Issues

3.1 Matter considered and no issues identified.

4.0 Equality Issues

4.1 Matter considered and no issues identified.

5.0 Community Safety Issues (Section 17)

5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

6.1 Matter considered and no issues identified.

7.0 Reputation

7.1 Matter considered and no issues identified.

8.0 Consultations

8.1 Matter considered and no issues identified.

9.0 Risk Assessment

9.1 Matter considered and no issues identified.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified.

11.0 Procurement Strategy

11.1 Matter considered and no issues identified.

12.0 Partnership Working

12.1 Matter considered and no issues identified.