



<b>SIGNED OFF BY</b>	Pat Main
<b>AUTHOR</b>	Martin Trenaman, Finance Operations Manager
<b>TELEPHONE</b>	01737 276561
<b>EMAIL</b>	Martin.Trenaman@reigate-banstead.gov.uk
<b>TO</b>	Executive
<b>DATE</b>	Thursday, 20 June 2019
<b>EXECUTIVE MEMBER</b>	Portfolio Holder for Finance

<b>KEY DECISION REQUIRED</b>	N
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	<b>DEBT WRITE OFF AND RECOVERY PERFORMANCE</b>
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## RECOMMENDATIONS

- (i) That three debts totalling £19,947.88 (as detailed in Appendix 1) be approved for writing out of the Council's accounts.
- (ii) That the Executive notes performance on debt recovery for the 2018/19 financial year.

## REASONS FOR RECOMMENDATIONS

Two debts relate to National Non Domestic Rates, and one relates to Housing Benefits overpayments.

All possible action has been taken to recover these amounts and this report is seeking approval to technically write them out of the accounts.

## EXECUTIVE SUMMARY

Three debts are irrecoverable and are proposed for write off.

**Executive has authority to approve the above recommendations**

## STATUTORY POWERS

1. The Council has powers under various Acts of Parliament and Statutory Regulations to charge for the services it provides and for collection of taxation monies e.g. the *Local Government*

*Finance Act 1992.*

2. The powers to waive the collection of properly determined and levied debts are set out within the Council's Constitution, in the Financial Procedures Rules. Under the Constitution all debts valued over £5,000 require the approval of the Executive.
3. This report is seeking approval to write off three debts.

## **BACKGROUND**

4. The previous occasion when Executive was asked to write off debts was on 8 November 2018.
5. Recovering debt is a key priority of the Council and writing off any debt is seen either as a last resort or a necessity where recovery is legally prohibited, for example where there is a Debt Relief Order in place or the debtor has been made bankrupt. Where debts are passed for write off for other purposes, all possible attempts at tracing and recovery will have been made.
6. For Business Rates (NNDR) debts, a debt cannot legally be recovered where a company has been dissolved. It is noted that in 2018/19 the Council had the highest collection rate in England and Wales for Business Rates, with 99.99% of the liability being recovered during the financial year.

## **KEY INFORMATION**

7. Annex 1 lists the debts proposed for write off with full details.
8. There are a number of circumstances that result in recovery of the debt being legally prohibited. Full details relating to the circumstances of each debt are outlined in Annex 1.
9. A schedule of performance information relating to the Council's Debt Management function is set out on Annex 2. The schedule shows that the Council continues to perform well and is in the top quartile nationally for write off levels.

## **OPTIONS**

10. The Executive has two options.  
Option 1 – accept and note the contents of the report.  
Option 2 – accept the report, but ask Officers to provide more detail on some specific issues contained in the report.
11. The Executive is asked to approve Option 1.

## **LEGAL IMPLICATIONS**

12. There are no legal implications associated with this report.

## **FINANCIAL IMPLICATIONS**

13. The total value of the debts presented for write off is less than 1% of the Council's gross budget and is the equivalent of 0.75% of the £2.64m provision held for bad debts for 2018/19.

<b>EQUALITIES IMPLICATIONS</b>
14. All debts and debtors are treated the same whether they relate to individuals or companies. The actions taken to enforce debt recovery is equal and is carried out for as long as we are legally entitled to recover the debt, or until all recovery actions have been pursued.
<b>COMMUNICATION IMPLICATIONS</b>
15. Information is available to debtors on the Council's website about organisations that can provide money and debt management advice.
<b>RISK MANAGEMENT CONSIDERATIONS</b>
16. Debts are only written off when all avenues of recovery have been exhausted or when it would be uneconomical or illegal to take any further action.
<b>CONSULTATION</b>
17. The Portfolio Holder for Finance has been consulted on the write offs proposed in this report.
<b>POLICY FRAMEWORK</b>
18. Debt recovery is operated within the framework set out in the Financial Procedure Rules within the Constitution.
<b>BACKGROUND PAPERS</b>
19. None