



REPORT OF:	HEAD OF FINANCE (CFO)
AUTHOR:	MARTIN TRENAMAN
TELEPHONE:	01737 276561
E-MAIL:	Martin.trenaman@reigate-banstead.gov.uk
TO:	EXECUTIVE
DATE:	23 MARCH 2017
EXECUTIVE MEMBER:	COUNCILLOR T SCHOFIELD

KEY DECISION REQUIRED:	NO
WARD (S) AFFECTED:	ALL

SUBJECT:	DEBT WRITE OFF & RECOVERY PERFORMANCE
RECOMMENDATIONS:	
<p>(i) That ten debts totalling £74,725.66 (as detailed in Annex 1) be approved for writing out of the Council's accounts; and</p> <p>(ii) That the Executive notes performance on debt recovery for the 2016/17 financial year.</p>	
REASON FOR RECOMMENDATIONS:	
<p>Six of these debts relate to National Non Domestic Rates (NNDR or Business Rates), and four debts relate to Council Tax.</p> <p>All possible action has been taken to recover these amounts and this report is seeking approval to technically write them out of the accounts.</p>	
EXECUTIVE SUMMARY:	
Ten debts are irrecoverable and are proposed for write-off.	

Executive has authority to approve the above recommendations.

STATUTORY POWERS

1. The Council has the 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, 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 ten debts.

OPTIONS

4. The Executive may choose to not approve these write offs which is not recommended.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

6. The total value of the debts is less than 0.5% of the Council's gross budget and is the equivalent of 2% of the provision held for bad debts.
7. A schedule of performance information relating to the Debt Management function is set out on Annex 2.
8. The schedule shows that the Council continues to perform well and is in the top quartile nationally for write off levels.

EQUALITIES IMPLICATIONS

9. There are no equality implications.

RISK MANAGEMENT CONSIDERATIONS

10. Debts are only written off when all avenues of recovery have been exhausted or when it would be uneconomical to take any further action.

CONSULTATION

11. The Portfolio Holder for Planning Policy and Finance has been consulted on the write offs proposed in this report.

POLICY FRAMEWORK

12. Debt recovery is operated within the framework set out in the Financial Procedure Rules within the Constitution.

Background papers: None

ANNEX 1

	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
2393546 Next Dimensions (ND Limited) Unit 11 Fairlawn Enterprise Park Bonehurst Road Salfords RH1 5GH	14/05/14 – 12/09/16	£13,463.58	£0.00	Company was dissolved on 13 September 2016, so the debt cannot be recovered.	£13,463.58
2323797 Grabal Alok (UK) Ltd 23 High Street and 1 The Belfry High Street Redhill RH1 1SA	01/04/16 – 27/01/16	£36,166.81	£22,202.55	Company has entered into Company Voluntary Arrangement. Recovery action legally prohibited.	£13,964.26

	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
237104X Reigate Spice Guru Ltd 27 Bell Street Reigate RH2 7AD	01/04/14 – 11/02/15	£14,201.60	£9,052.54	Company was dissolved on 29 September 2015, so the debt cannot be recovered.	£5,149.06
2408598 Complete Tyre Services Limited Millstream Farm Brighton Road Salfords RH1 5BH	01/10/14 – 21/03/16	£10,544.11	£0.00	Company went into liquidation on 22 March 2016. We are now not permitted to recover the debt.	£10,544.11

	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
2403160 Derrywood Kitchens Ltd Ground Floor Unit 6 Heath Business Centre 18 Bonehurst Road Salfords RH1 5EN	01/07/15-19/07/16	£1,982.64	£0.00	Company went into liquidation 20 July 2016, so the debt cannot be recovered.	£1,982.64
2403213 Derrywood Kitchens Ltd 1 st Floor Unit 6 Heath Business Centre 18 Bonehurst Road Salfords RH1 5EN	01/07/15-19/07/16	£4061.89	£238.83	Company went into liquidation 20 July 2016, so the debt cannot be recovered.	£3,823.06

	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
40148060 Mr F	01/04/04 – 31/03/08	£8,020.81	£1,506.33	Debtor has absconded – all traces, including those made by enforcement agents, are negative. No contact has been made in over six years.	£6,514.48
45326274 Mrs L	06/11/13 – 31/03/16	£5,685.00	£0.00	Debtor in bankruptcy. Recovery action legally prohibited.	£5,685.00
43198274 Executors of Mrs B	01/04/05 – 27/07/16	£9,648.04	£1,584.63	Debtor is deceased and there are no funds in the estate.	£8,063.41

	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
45486058 Mr K	10/12/14 – 31/03/17	£5,536.06	£0.00	Debtor in bankruptcy. Recovery action legally prohibited.	£5,536.06

ANNEX 2

Table 1: Debt Write-Off, 1 April 2016 to 31 January 2017

Performance 2014/2015 %	Performance 2015/2016 %	Category	Debt Raised £	Write-Off Target 2016/2017 [Less than] %	Performance 2016/2017 %
0.019%	0.0277%	Council Tax	101.2m	1%	0.023%
0.045%	0.019%	Non-Domestic Rates	51.6m	1%	0.097%
1.02%	4.57%	Benefit Overpayments	0.6m	2%	1.55%
0.20%	0.02%	Sundry Debts	18.2m	1%	0.03%

Table 2: Collection Rates, 1 April 2016 to 31 January 2017

Performance 2014/2015 %	Performance 2015/2016 %	Category	Collection Target 2016/2017 %	Performance 2016/2017 %
98.6%	95.5%	Council Tax	98.7%	95.64% ¹
99.4%	94.8%	National Non-Domestic Rate	99.8%	94.58% ¹
60.5%	47.9%	Benefit Overpayments	50.0%	65.38%
94.3%	95.5%	Sundry Debts	97.0%	94.6%

¹ Performance to 31 January. Both are on track to meet the annual target.