



REPORT OF:	HEAD OF FINANCE (CFO)
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TO:	EXECUTIVE
DATE:	25 JANUARY 2018
EXECUTIVE MEMBER:	COUNCILLOR T SCHOFIELD

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

SUBJECT:	DEBT WRITE OFF & RECOVERY PERFORMANCE
RECOMMENDATIONS: (i) That eleven debts totalling £126,860.91 (as detailed in Annex 1) be approved for writing out of the Council's accounts. (ii) That the Executive notes performance on debt recovery for the 2017/18 financial year to date.	
REASON FOR RECOMMENDATIONS: Eight of these debts relate to National Non Domestic Rates (NNDR or Business Rates), and three debts relate to Council Tax. 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: Eleven 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 eleven 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 1% of the Council's gross budget and is the equivalent of 3% 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 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

Business Rates Write Offs					
	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
2418352 Alpine Construction Services Ltd In Liquidation Unit 9 Fairlawn Enterprises Park Bonehurst Road Salfords RH1 5GH	01/05/15 – 19/03/17	£24,341.51	£647.97	Company has gone into liquidation – recovery action legally prohibited.	£23,693.54
2397243 Zakis Ltd 22 Station Road Redhill RH1 1PD	01/04/15 – 30/01/17	£19,654.41	£5,487.37	Company has been dissolved. Recovery action legally prohibited.	£14,167.04
239239X Zakis Ltd 22 Station Road Redhill RH1 1PD	24/02/14 – 31/08/14	£6,398.84	£1,183.30	Company has been dissolved. Recovery action legally prohibited.	£5,215.54

Business Rates Write Offs					
	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
2384446 House of Fashion London Ltd 41 The Belfry Station Road Redhill RH1 1SE	29/04/13 – 01/09/13	£6,828.85	£1,600.00	Company has been dissolved. Recovery action legally prohibited.	£5,228.85
2390933 Mainford Commercial Services Ltd Flirt Night Club Victoria House Consort Way Horley RH6 7AF	27/09/13-08/11/16	£42,752.31	£10.00	Company has been dissolved as of 13/06/17	£42,742.31

Business Rates Write Offs					
	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
2308145 Shelve's Hill Garage R/O Murco Petrol Filling Station Shelve's Hill Tadworth KT20 5PU	01/04/16-31/03/17	£8,107.00	£1,474.00	Company has entered in Company Voluntary Arrangement on 05/01/17. Recovery action legally prohibited.	£6,633.00
2403296 Busy Bodies Business Services Ltd 4 Victoria Square Consort Way Horley RH6 7AF	15/06/14 – 04/01/15	£5,320.49	£0.00	Company went into liquidation on 10/01/17. Recovery action legally prohibited.	£5,320.49

Business Rates Write Offs					
	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
2078503 Petrov 32 High Street Reigate RH2 9AY	01/04/16 – 31/03/17	£9,815.75	£2,982.00	Debtor in bankruptcy. Recovery action legally prohibited.	£6,833.75
				Total Business Rate Write Offs	£109,834.52

Council Tax Write Offs					
	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
44037535 Mrs B	01/04/12 – 31/03/17	£5,695.46	£0.00	Debtor in bankruptcy – Individual Voluntary Arrangement granted 13/02/17. Recovery action legally prohibited.	£5,695.46
43212142 Mrs D	01/04/12 – 25/01/17	£5,287.38	£162.50	Debtor has absconded – all traces negative	£5,124.88
44159544 Ms P	31/01/05 – 31/03/18	£8,071.74	£1,865.69	Debtor in bankruptcy – Individual Voluntary Arrangement granted 26/07/17. Recovery action legally prohibited.	£6,206.05

Council Tax Write Offs					
	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
				Total Council Tax Write Offs	£17,026.39

Table 1: Debt Write-Off, 1 April 2017 to 30 November 2017

Performance 2015/2016 %	Performance 2016/2017 %	Category	Debt Raised £	Write-Off Target 2017/2018 [Less than] %	Performance 2017/2018 %
0.03%	0.02%	Council Tax	107.1m	1%	0.13%
0.02%	0.10%	Non-Domestic Rates	54.5m	1%	0.24%
4.57%	0.00%	Benefit Overpayments	0.3m	2%	0.00%
0.02%	0.04%	Sundry Debts	8.1m	1%	0.00%

Table 2: Collection Rates, 1 April 2017 to 30 November 2017

Performance 2015/2016 %	Performance 2016/2017 %	Category	Collection Target 2017/2018 %	Performance 2017/2018 %
95.5%	99.0%	Council Tax	99.0%	85.5% ¹
94.8%	99.8%	National Non-Domestic Rate	99.7%	88.3% ¹
47.9%	125.5%	Benefit Overpayments	55.0%	75.1%
95.5%	94.2%	Sundry Debts	97.0%	83.5% ¹

¹ Performance to 30 November. Performance is on track to meet the annual collection target.