

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Portfolio Holder for Finance and Executive Director - Commercialisation (S151)

**To:** Cabinet Tuesday, 14 January 2020

**(Author:** Sharon Hammond Head of Revenues & Benefits)

**Subject** Debt Write Off – Sundry Debt

**Purpose:** To seek approval for the write off of uncollectable Sundry Debt.

### **Recommendations:**

- 1) That the amounts identified in this report are approved for write off.
- 2) To note the amounts written off under delegated powers.

### **1.0 BACKGROUND**

1.1 Efficient and well administered debt management is crucial to the Council. Debt Management and Operational Debt Write Off Policies were approved by Cabinet in July 2017. Further information about the statutory requirements and processes relating to recovery and enforcement of debt was provided at a presentation to Cabinet Members in February 2018.

1.2 The last write off report, which contained Sundry Debt, was presented to Cabinet on 27 March 2018, with a total of £12,207.07 approved for write off at that meeting.

### **2.0 WRITE OFFS FOR CABINET APPROVAL**

2.1 A review of collectability of outstanding debts has concluded that recovery and enforcement options in respect of sundry debts presented in this report have been considered, and exhausted, and Cabinet approval for write off is now requested.

2.2 The need to write off debt can arise for a number of reasons, including the debtor being untraceable, ceased trading with no assets, or deceased with insufficient funds in the estate. All methods of recovery are considered and pursued in line with legislative provision, before making the decision to write off. This can include internal recovery action, use of debt enforcement agents, external tracing agents and procedures through the Courts.

2.3 A summary of these debts is shown in the table below, totalling £30,332.49.

<b>Reason for Write Off</b>	<b>Sundry Debt</b>
Insolvency	£2,450.56

Uncollectable	£2,959.48
Unenforceable	£22,635.99
Absconded	£2,286.46
<b>Total</b>	<b>£30,332.49</b>

- 2.4 Details of individual debts are shown in confidential Appendix A to this report. The reason provided for write-off is consistent with the policy approved by Cabinet. Where applicable, multiple debts are shown together.
- 2.5 The Operational Debt Write-Off Policy was originally approved by Cabinet in July 2017.
- 2.6 In line with the policy, prior to this report being presented, consultation has taken place with the Section 151 Officer and the Portfolio Holder for Finance. Cabinet Members can therefore be assured that the debts listed are irrecoverable, and that write off is the correct course of action.
- 2.7 All debt approved for write off will be set against existing bad debt provisions and can be resurrected in full or in part at any time should new information come to light suggesting that they might be recoverable after all. In all cases collection options have been exhausted and there is no realistic prospect of recovery.
- 2.8 **DELEGATED WRITE OFFS**
- 2.9 The S151 Officer has not written off any debts below £1,050 in relation to Sundry Debt at this point in the year.

### 3.0 REASONS FOR RECOMMENDATION(S)

- 3.1 All recovery methods have been considered and where appropriate pursued, before making the decision to write off. Officer time can be maximised on greatest returns, at the same time as ensuring robust procedures for debt management are in place across all revenues streams.

### 3.2 EXPECTED BENEFITS

- 3.3 The Council has a clear position in terms of uncollectable debt, and its bad debt position.

### 4.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

#### 4.1 Financial

4.1.1 Clear processes for the writing off of irrecoverable debt represents sound financial management practice. Provision for bad debt is made in Council accounts.

## 4.2 Risk Management

4.2.1 By the nature, volume and value of annual revenue to the council there will always be uncollectable amounts which will be recommended for write off once avenues to recover are exhausted. Provision for bad debt is made and reviewed regularly.

## 5.0 WARDS/COMMUNITIES AFFECTED

5.1 All

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Background papers:- (Confidential) Operational Debt Write Off Policy, approved July 2017

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### Lead Contact Officer

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**Key Decision:** N

**Exempt Decision:** Y

**This report refers to a Mandatory Service**

**Confidential Appendix A attached to this report:**

**(Please note that the following appendix is not for publication by virtue of Paragraphs 1 (Information relating to any individual), 2 (Information which is likely to reveal the identity of any individual) and 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information))**

**Appendices attached to this report:**

Appendix A Sundry Debt