

SOUTH HOLLAND DISTRICT COUNCIL

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

To: Cabinet Tuesday, 17 March 2020

(Author: Sharon Hammond Head of Revenues & Benefits

Subject Debt Write Offs

Purpose: To seek approval for the write-off of uncollectable 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 During 2019/20 write-off reports, by debt stream, have been presented to Cabinet. This is the last report to Cabinet for this financial year and includes debts subsequently identified as uncollectable.

2.0 WRITE OFFS FOR CABINET APPROVAL

- 2.1 The need to write off debt can arise for a number of reasons, including debtors being untraceable, insolvent, 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.
- 2.2 Case management has concluded that recovery and enforcement options in respect of the debts presented in this report have been considered, and exhausted, and there is no prospect of recovery. Cabinet approval for write off is now requested.
- 2.3 A summary of these debts is shown in the table below, totalling £49,924.40 (of which the indicative loss to South Holland District Council is £19,926.71).

Reason for Write Off	Council Tax	Business Rates	Housing Benefit Overpayment	Sundry Debts	Total
Absconder	£2,881.25				£2,881.25
Deceased	£6,773.34			£4,548.37	£11,321.71
Uncollectable	£1,296.67			£1,396.93	£2,693.60
Insolvency	£8,638.94	£13,255.63	£11,133.27		£33,027.84
Total	£19,590.20	£13,255.63	£11,133.27	£5,945.30	£49,924.40
Indicative loss to SHDC	£1,998.20	£5,302.25	£6,679.96	£5,945.30	£19,925.71

2.4 Details of individual debts are shown in confidential Appendices A - D. The reason provided for write-off is consistent with the policy approved by Cabinet. Where applicable, multiple debts for an entity 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 also written off the following debts, which individually are below the £1,050 threshold, in 2019/20: -

Reason for Written Off	Council Tax	Business Rates	Housing Benefit Overpayment	Total
Absconder	£13,609.08			£13,609.08
Deceased	£2,878.15		£74.76	£2,952.91
Insolvency	£8,801.54	£901.82		£9,703.36
Uncollectable	£4,412.64			£4,412.64
Uneconomical	£3,105.16			£3,105.16
Unenforceable	£983.72			£983.72
Total Amount	£33,790.29	£901.82	£74.76	£34,766.87
Indicative loss to SHDC	£3,446.61	£360.73	£44.86	£3,852.20

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.

4.0 EXPECTED BENEFITS

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

5. IMPLICATIONS

5.1 Financial

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

5.2 Risk Management

5.2.1 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.

6. WARDS/COMMUNITIES AFFECTED

6.1 All

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

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Key Decision: N

Exempt Decision: Y

This report refers to a Mandatory Service

Confidential Appendices A-D, 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	Council Tax Debts
Appendix B	Business Rates Debts
Appendix C	Housing Benefit Overpayment Debts
Appendix D	Sundry Debts

