

# Debt Write Offs



<b>Report to:</b>	Cabinet
<b>Date:</b>	11 July 2024
<b>Portfolio Holder(s):</b>	Councillor Michael Hardware, Portfolio Holder for Finance
<b>Lead Officer(s):</b>	Donna Beechener, Assistant Director - Revenues and Benefits (01279) 446245
<b>Key Decision:</b>	Yes
<b>Forward Plan:</b>	Forward Plan I017243
<b>Call In:</b>	This item is subject to call in procedures
<b>Corporate Mission:</b>	Deliver High Performing services
<b>Wards Affected:</b>	None specifically

## Executive Summary

- A** This report provides Cabinet with the detail of the current non domestic rate debts requiring Cabinet approval to write off.

## Recommended that:

- A** Irrecoverable Non Domestic Rates amounting to £158,473.81 be written off

## Reason for decision

- A** The Cabinet's approval is required to write off irrecoverable debts over £20,000.

## Other Options

- A There are no other options other than to write off these debts as all other options for recovery have been exhausted.

## Background

1. Harlow Council has an excellent record of recovering monies owed by customers. The council collects 99% of Non-domestic Rates due. Debts are only ever written off as a last resort and where recovery is deemed to be impossible. The amounts put forward for write-off in this report amount to less than 1% of the total collectable debts.
2. All efforts to recover debts are undertaken in accordance with the relevant legislation.
3. The debts being presented to Cabinet for approval are the outstanding rates due from limited companies that have entered liquidation or have been dissolved.
4. On-going review processes have identified 4 non domestic rate debts requiring write off approval in line with Financial Regulations. Further details for each are shown in Appendix A, Table 1.

DEBITS		
REASON	NO. OF ACCOUNTS	TOTAL
Liquidation	1	£69,283.12
Dissolved	3	£89,190.69
<b>TOTAL</b>	<b>4</b>	<b>£158,473.81</b>

## Issues/Proposals

5. The Revenues and Benefits service works hard to minimise write offs, and as a result reports of debt write offs are only presented to Cabinet when all other options for recovery have been exhausted.
6. Whilst action is taken to minimise debt write offs, the council does make provision for doubtful debts. Write offs relating to Council Tax and Non domestic rates are accounted for in the Collection Fund and are shared with the precepting bodies in accordance with collection fund accounting principles.
7. Debt write offs are a normal day to day activity and it is good practice to write off irrecoverable debts.

8. Benchmarking has not been undertaken as comparator data is not publicly available. Additionally, each local authority will have differing levels of authorisation for debt write offs within its financial regulations.

## **Implications**

### **Equalities and Diversity**

A decision tree has been conducted and is attached at Appendix B. An equality impact assessment is not required.

### **Climate Change**

No climate change implications have been identified

### **Finance**

Harlow is the billing authority and collects Non Domestic Rates on behalf of the precepting bodies. Harlow's share is 40% of the total rates collected, after the tariff has been apportioned to Government.

The total amount written off will be charged to the collection fund and apportioned to the precepting authorities.

Author: Jacqueline Van Mellaerts, Assistant Director – Finance and Deputy Section 151 Officer

### **Governance**

Financial regulations require that write-off requests relating to Council Tax, Benefit Overpayment, sundry debt and non-domestic rates be presented to Cabinet for formal approval.

Author: Julie Galvin, Legal Services Manager and Monitoring Officer

## **Appendices**

Appendix A – Table of Debts presented for Write Off.

Appendix B – Equality Impact Decision Tree.

## **Background Papers**

None

## **Glossary of terms/abbreviations used**

None.

Table of Debts presented for Write Off.

<b>Non Domestic Rates</b>		
<b>Reason for debt</b>	<b>Amount £</b>	<b>Time period of debts</b>
Liquidation	69,283.12	2020, 2021, 2022, 2023
Dissolved	21,269.69	2013, 2014, 2015
Dissolved	11,965.18	2014, 2015
Dissolved	55,955.82	2019, 2021
Total Non Domestic Rates requiring write off	158,473.81	

## Equality impact initial screening

**Reference:** E568753593

**Date completed:** 12 Dec 2023

**Person completing form:** Donna Beechener

**Email address:** [donna.beechener@harlow.gov.uk](mailto:donna.beechener@harlow.gov.uk)

**Title of equality impact:** Debt write offs

**Service:** Finance

**Team:** Revenues and Benefits

Does/will the policy or activity affect the public directly or indirectly? No

Have there been or likely to be any public concerns about the policy or proposal? No

Does the evidence/data show an existing or likely differential impact for the different strands of diversity? Age, gender, disability, race, religion, sexuality: No

Do/will people who belong to the different strands of diversity have different needs, experiences, issues or priorities in relation to this policy or activity (use evidence): No

Could the policy or activity affect how services, commissioning or procurement activities are organised, provided, where and by whom? No

Could the policy or activity affect our workforce or employment practices? No

Have complaints been received from different equality groups about the effect of this policy, proposal or our activities in general? No

Does the policy involve or will it have an impact upon eliminating unlawful discrimination, promoting equality of opportunity and promoting good relations between diverse groups: No

Is there likely to be an adverse/negative impact or risks to the organisation, for users, equality groups and staff if the policy or activity is implemented in its current format? No

Equality impact assessment not required.