

Three Rivers District Council

# Committee Report

Date 13 March 2023

## POLICY AND RESOURCES COMMITTEE - 13 MARCH 2023

### PART I

#### 9. DEBTS TO BE WRITTEN OFF (DoF)

*The information contained in appendix 3 is NOT for PUBLICATION because it deals with information relating to any individual, any information which is likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information), (Paragraphs 1, 2 and 3 of Schedule 12A to the Act)*

##### 1 Summary

- 1.1 The Council is responsible for the collection of Sundry Debts, Housing Benefit Overpayments, Council Tax and Non-Domestic Rates.
- 1.2 The report informs members of the debt to be written-off for these debt streams. Debts up to the value of £3,000 can be written off by s151 Officer, under delegated powers. Permission needs to be sought from the Committee to write off individual debts with a value of more than £3,000.
- 1.3 The total debt of Three Rivers debts to be written off is £187,521.65 (see appendix 1).
- 1.4 An additional appendix has been added providing clarification on the debts. This information is exempt for publication under Paragraphs 1, 2 and 3 of Schedule 12A to the Act.

##### 2 Details

- 2.1 In accordance with good financial management principles, the Council makes appropriate bad debt provision for the revenue stream detailed in this report. This provision recognises that a proportion of the Authority's debts will prove irrecoverable and ensures that the value of debtors within the Authority's accounts is a fair reflection of the amount it will eventually collect.
  - 2.1.1 All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a reminder will be issued promptly to the debtor. If this fails to secure payment, a final reminder and/or a summons will also be issued and if necessary, the debt passed to an appropriate collection agent such as the Civil Enforcement Agents in order to secure payment.
  - 2.1.2 Sometimes, however, if the debtor is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period of time to collect the debt. In some cases, pursuit of an outstanding debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases with arrears under £3,000 can be written off by the Section 151 Officer under delegated authority. Cases where the debt exceeds £3,000 must, however, be approved by the Committee prior to the debt being written off.
  - 2.1.3 A record is kept of debts written off, together with the reason for doing so, so that if there is a realistic chance of recovery in the future a debt may be resurrected and pursued again.

- 2.1.4 The Service has access to Experian's Citizen View database which is currently the most reliable means of tracing absconded debtors. Each case is checked against this system before a decision is taken to write off the debt. A periodic review of write offs against this system may also be carried out to resurrect debts where appropriate.

### **3 Options and Reasons for Recommendations**

- 3.1 The Committee can either approve to the debt being written off or not. Should the write off an individual debt not be approved, it will remain on the appropriate system as an outstanding balance. In cases of insolvency there is no option available to the Council but to stop any action to collect the debt. With any case where the debt remains on appropriate Council system, it may result in additional time and cost spent to pursue the debts when there is no realistic prospect of recovery.

- 3.1.1 It is noted that one of the debts relates to costs incurred by the LPA in taking steps to remove a dangerous structure under S78 of the Building Act. The property owner has subsequently refused to pay the debt and continues to dispute the validity of the debt. Given the property owner's continued dispute, advice has been sought from counsel, and the cost of pursuing the debt would far exceed the amount in dispute. On that basis, this report recommends that committee agree to write-off the debt.

### **4 Policy/Budget Reference and Implications**

- 4.1 The recommendations in this report are within the Council's agreed policy and budgets. The relevant policy is entitled writing off debts and was agreed on in June 2011.

### **5 Financial Implications**

- 5.1 Three Rivers District Council debts totalling £187,521.65 to be written-off.

### **6 Legal Implications**

- 6.1 The relevant powers for this report are contained within the following legislation.

6.2 Section 151 Local Government Finance Act 1972

6.3 Section 44 Local Government Finance Act 1988 (Non-Domestic Rate)

6.4 Section 14 Local Government Finance Act 1992 (Council Tax).

### **7 Equal Opportunities Implications**

- 7.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No – there is no proposed change to current policy.
Did the relevance test conclude a full impact assessment was required?	N/A

- 7.2

## **8 Risk and Health & Safety Implications**

8.1 None identified.

## **9 Recommendation**

9.1 That the Committee approves to write off individual debts in excess of £3,000 as detailed in Appendix 1.

9.2 That public access to Appendix 3 be denied.

Report prepared by: Jane Walker, head of Revenues and Benefits.

### **Data Quality**

Data sources:

Revenues databases.

Data checked by:

Sophie Ayscough, Revenues Manager.

Data rating:

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	
<b>3</b>	<b>High</b>	√

### **Background Papers**

None

### **APPENDICES**

Appendix 1 Summary of Debts.

Appendix 2 Glossary of Terms

Appendix 3 – Part ii information

