

# APPENDIX O

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 2 MARCH 2010

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**Title:**

**OUTSTANDING DEBTS WRITE OFF FOR DECISION**

**[Portfolio Holder for Finance: Cllr Mike Band]  
[Wards Affected: N/A]**

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**Summary and purpose:**

To obtain approval for irrecoverable bad debts of more than a £5,000 individual value to be written off in accordance with the Council's Financial Regulations.

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**How this report relates to the Council's Corporate Priorities:**

The efficient and professional management of outstanding debt ensures that the best possible collection rates are achieved at the lowest unit cost to Waverley. Such action falls within the Value for Money Corporate priority.

**Equality and Diversity Implications:**

Waverley treats all individuals consistently and fairly regardless of age, sex, gender, disability and sexual orientation and to ensure that individual's rights under data protection and human rights legislation is protected. The recommendations of this report are in line with these principles.

**Resource/Value for Money implications:**

In accordance with recommended accounting practise, the Council maintains a provision for write offs in respect of council tax and sundry debt invoices. This provision meets with audit requirements and is subject to annual review. The write offs detailed in this report is within the normal annual allowance for such items.

National Non Domestic Rates are collected on behalf of Central Government and yield lost in respect of bad debts written off is reported to the Department for Communities and Local Government.

**Legal Implications:**

There are no legal implications arising from this report.

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**Background**

1. Fuller details of all cases shown below may be inspected by members prior to the meeting, on application to the Head of Revenue and Benefit Services.

2. The following sum is irrecoverable and is submitted to the Executive for write-off approval. Since the last report in December 2008, these arrears, in respect of the categories set out below, total £184,215.16.

Category	Number	Amount
National Non Domestic Rates	11	£145,256.41
Council Tax	1	£7,706.84
Sundry Debtors	4	£31,251.91
<b>Totals</b>	<b>16</b>	<b>£184,215.16</b>

### **National Non Domestic Rates**

Six debtors have been declared insolvent:

£5,802.15  
£6,605.49  
£9,800.89  
£7,761.37  
£7,578.94  
£20,348.94

In addition there are five other NNDR accounts for write off detailed below:

#### **NNDR 1 (£42,966.00):**

Information supplied to Council officers resulted in the late billing of the business rates to what turned out to be the incorrect address. By the time the correct bill could be issued case law advises that recovery is not possible because the bill was not issued as soon "as practicable".

*Uncollectible*

#### **NNDR 2 (£6,141.25):**

This case was progressed through the magistrates' court and bailiffs were instructed to enforce the liability order. Part payments were obtained but subsequently legal identity was challenged and this could not be established and no further payments received.

*Uncollectible*

#### **NNDR 3 (£12,249.20):**

This case relates to receivership of a property where the owner retains liability to empty property rates but no possession of the property and the receiver has no legal interest in the property and so he is not likely to pay the rates. The debt is therefore considered uncollectible.

*Uncollectible*

**NNDR 4 (£11,867.40):**

Information supplied to Council officers resulted in the late billing of the business rates because details of the occupier could not be established. By the time the correct bill could be issued case law advises that recovery is not possible because the bill was not issued as soon "as practicable".

*Uncollectible*

**NNDR 5 (£14,134.78):**

Information supplied to Council officers resulted in the late billing of the business rates because details of the occupier could not be established. By the time the correct bill could be issued case law advises that recovery is not possible because the bill was not issued as soon "as practicable".

*Uncollectible*

**Council Tax (£7,706.84):**

The above case relates to council tax due for the period 1 April 1993 to 31 March 2005, including cost incurred in attempting to recover the debt.

Numerous attempts were made to gain contact with the council taxpayer. The Council has subsequently been advised that the Council taxpayer has died and there are no monies in the estate.

*Deceased*

**Sundry Debtors**

**Debtor 1 (£5,700.03):**

This debt arose from overpayment of housing benefit and recovery progressed through the County Court and High Court Enforcement Officer and although some payments were collected it has been impossible to recover the amount as the debtor is on income support and maximum deductions are being made until 2017. Given the debtors lack of assets a bankruptcy would not secure any more of the debt.

*Uneconomical to pursue.*

**Debtor 2 (£5,966.97):**

The debt arose from service charges, insurance, leasehold property and ground rent. The Council took this to the County Court and obtained judgement. Bankruptcy proceedings followed and the debtor was declared bankrupt no dividend will be received.

*Insolvent*

**Debtor 3 (£11,984.73):**

This debt arose from overpayment of housing benefit and recovery progressed through the County Court after a long dispute, which saw a reduction to the outstanding debt, which resulted in further proceedings. The debt relates back to 2003 and legal advice advises that recovery is unlikely.

*Uneconomical to pursue*

## **Debtor 4 (£7,600.18)**

This debt arose from overpayment of housing benefit. Despite judgement being obtained in 2004 it has not been possible to enforce this debt because the address of the debtor could not be established despite the use of external collection agents.  
*Uneconomical to pursue/debtor absconded*

### **Conclusion**

3. The recommendation of this report is in accordance with the Debt Management Policy and helps to ensure that the value of debts outstanding to Waverley represents collectable current debt.

### **Recommendation**

It is recommended that the Executive uses its powers under the Financial Regulations to approve the sum of £184,215.16 to be written off as irrecoverable bad debts.

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### **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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### **CONTACT OFFICER:**

**Name:** Robert Fox

**Telephone:** 01483 523099

**E-Mail:** robert.fox@waverley.gov.uk