

Report for: Cabinet Member Signing

Title: Over £50,000 debt write offs

Report authorised by: Jon Warlow, Director of Finance (S151 Officer)

Lead Officer: Shayem Pervez, Corporate Income & Debt Manager
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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. There are 2 (two) Business Rate debts in excess of £50,000 where write off approval is requested. This is following the exhaustion of debt recovery procedures. There is no further recourse to recovery.

2. Cabinet Member Introduction

- 2.1. N/A

3. Recommendations

The Cabinet member for Finance and Local Investment is asked to:

- 3.1. Agree to write off Business Rates debt of c.£91K owed by Company X.
3.2. Agree to write off Business Rates debt of c.£61K owed Company Y.

4. Reasons for decision

- 4.1. The Council is unable to take any further action to recover the debts.

5. Alternative options considered

- 5.1. **Do nothing:** This would mean the debts remain on the Council's system and appear as collectable. This would provide a false sense of debt levels.

6. Background information

- 6.1. In August 2019 the Council received information of occupancy by Company X which had been operating the retail business since June 2018 to October 2019. The company was dissolved in November 2020 so no longer exists. There are no assets/resources for it.
6.2. In January 2021, the Council received evidence about the occupation by Company Y. The agreement was effective from September 2019 and the

company went into liquidation as of February 2020, whereby it's assets were used to pay off it's debts. The liquidators report concluded that there would be no dividend payable to any creditors.

- 6.3. Please refer to the Appendices for a full account of the debt recovery activity carried out.

7. Contribution to strategic outcomes

- 7.1. Proactive management of debt ensures that income is maximised, customer queries are managed in a timely manner and that the Council's financial accounts are as accurate as possible at all times.

8. Statutory Officer Comments

8.1. Finance

- 8.1.1. The authority must take all reasonable steps to recover sums owed however. It must also assess the likelihood and estimated value of any balances that remain irrecoverable after all forms of recovery have been exhausted and set aside provisions to allow the debt to be written off if necessary.

- 8.1.2. There is sufficient provision set aside to meet the two recommended debt write offs in this report.

8.2. Strategic Procurement

- 8.2.1 Strategic Procurement note the report contents and that the recommendation is not a procurement matter.

8.3. Legal

- 8.3.1. The Financial Regulations (para. 8.15(c)) within the Council's Constitution provides as follows -

8.15. All other individual debt accounts which remain unpaid may be written off in accordance with the below authorities:

(c) Over £50,000 on the approval of the Cabinet Member with responsibility for Finance upon the advice of the relevant Director and the Section 151 Officer.

- 8.3.2. The Scheme of Delegation (Part 3, Section E, Part 1 of the Constitution) provides that the term "Director" includes all Directors and Assistant Directors (among others).

- 8.3.3. Accordingly, provided that the relevant Director or Assistant Director as well as the section 151 Officer have advised, it is open to the Cabinet Member for Finance and Local Investment to approve the recommendations in this report.

8.4. Equality

8.4.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.4.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.3 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

8.4.4 The recommendations in the report are not anticipated to have a negative impact on any groups with protected characteristics.

9. Use of Appendices

9.1. Appendix 1 Company X *(exempt item)*

9.2. Appendix 2 Company Y *(exempt item)*

10. Local Government (Access to Information) Act 1985

10.1. N/A