ARUN DISTRICT COUNCIL
NOTICE OF DECISIONS TAKEN BY INDIVIDUAL CABINET MEMBERS ON THURSDAY 27 JUNE 2019

<table>
<thead>
<tr>
<th>REFERENCE NO.</th>
<th>DECISION</th>
<th>CABINET MEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICM/082/200619</td>
<td>Miscellaneous Sundry Debt Write Offs</td>
<td>Cllr Oppler</td>
</tr>
</tbody>
</table>

THE EFFECTIVE DATE OF THESE DECISIONS IS FRIDAY 05 JULY 2019 UNLESS THE CALL-IN PROCESS IS APPLIED

If a Councillor wishes to request a call-in of any of the decisions taken above, they will need to take the following steps in line with the Scrutiny Procedure Rules at Part 6 of the Constitution – Scrutiny Procedure Rules (Other)

They will need to:

- Submit their request in writing for a Call-In to the Group Head of Policy and identify who will act as the lead Member of the Call-In
- Specify which decision is to be the subject of the Call-In
- Explain which of the criteria for the Call-In apply
## PART B: INDIVIDUAL CABINET MEMBER DECISION

<table>
<thead>
<tr>
<th>URGENT DECISION IN ACCORDANCE WITH RULE 14.11 OF THE SCRUTINY PROCEDURE RULES?</th>
<th>NO</th>
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</thead>
<tbody>
<tr>
<td>CABINET MEMBER RESPONSIBLE:</td>
<td>Cllr Oppler</td>
</tr>
<tr>
<td>SUBJECT: Miscellaneous Sundry Debt Write Offs</td>
<td></td>
</tr>
<tr>
<td>OFFICER CONTACT:</td>
<td>Carolin Martlew, Financial Services Manager</td>
</tr>
<tr>
<td>EXT: 37568</td>
<td>E-Mail: <a href="mailto:carolin.martlew@arun.gov.uk">carolin.martlew@arun.gov.uk</a></td>
</tr>
</tbody>
</table>

### EXECUTIVE SUMMARY:

The report lists cases where authorisation is sought to write off miscellaneous sundry debt.

### DECISION:

To seek approval to write off miscellaneous Sundry Debts to the value of £15,019.43 in respect of 2 cases (attached) and to note that under delegated authority £2,829.54 has been written off in respect of 7 cases.

### REASONS FOR THE DECISION:

To ensure that write offs are carried out in accordance with the Council’s write-off policy. The sundry debtors accounts listed in the report have been pursued applying the Council's Write-Off Policy and have been found unrecoverable. The policy ensures that the recovery of sundry debts prioritises recovery action to cases of collectable debt.

### OPTIONS CONSIDERED BUT REJECTED:

N/A

### CABINET MEMBER(S)

| DECLARATION OF INTEREST BY CABINET MEMBER(S) RESPONSIBLE FOR DECISION: | |
|Dispensations Granted: | |

### ANY CONFLICT OF INTEREST DECLARED BY A CABINET MEMBER WHO IS CONSULTED BY THE MEMBER TAKING THE DECISION:

### DECISION BY:

Relevant Cabinet Member

<table>
<thead>
<tr>
<th>SIGNATURE:</th>
<th>DATE:</th>
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<tbody>
<tr>
<td></td>
<td>21-6-19</td>
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<td>51210</td>
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<td>SD</td>
<td>50839</td>
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</table>
Accounts Receivable Write-Off Policy

March 2019
Accounts Receivable (Sundry Debtor) Write Off Policy

1. The purpose of this document

1.1 All Sundry Debts are considered recoverable and Financial Services will make all necessary efforts to collect all Sundry Debts due. However, there will be limited circumstances when it is appropriate to either write off a debt, or consider the write off of monies owed to the Council. Some of these are covered by statute or an instruction by the courts (remission) and other areas will be considered by local management in accordance with agreed policy/procedures.

1.2 This document outlines the Council’s policy and approach to Council Tax debt for either remission or write off. It ensures that the Council’s approach to these processes is consistent and complies with relevant legislation.

2 Situations when write off may be appropriate

This document covers the Council’s policy and approach in the following areas:

- Remission by the Court;
- Imprisonment (warrant of commitment issued);
- Bankruptcies, Individual Voluntary Arrangements, Compulsory Voluntary Arrangements, Debt Relief and Liquidations;
- Death of the debtor
- Absconders who cannot be traced;
- Small balance and where the amount uneconomical to collect;
- Court, bailiff and other costs; or
- Miscellaneous reasons

2.1 Remission by the Court

If a Magistrate finds that the failure to pay the amount due is not ‘blameworthy’ and the debtor is unable to pay the debt, they can remit the debt. Remission may be in part or the full amount of the debt. Even though a debt (or debts) may be remitted, liability for subsequent years will continue. Following the decision of the Magistrate, the Council will process the write off and store a copy of the Court Remission Sheet on our files.

2.2 Imprisonment (warrant of commitment issued)

If a debtor is committed to prison for non-payment, the debt has to be written off once the full term (less any allowance for good behaviour) has been served. No further recovery action can be taken in relation to the relevant amount as the statutory enforcement process has come to an end. Liability for subsequent years and for any debts covered by separate Liability Orders will continue.
2.3 Bankruptcies and liquidations

In the event of a successful bankruptcy petition (or successful winding-up proceedings for limited companies), once the court has made an order no other recovery action can be taken. This applies to the debts that are covered by the order only and subsequent debt liability is unaffected from the date of the orders.

These debts are only written off if the insolvency practitioners report that there are no assets out of which the creditors can be paid.

In the majority of bankruptcy and insolvency cases where the Council has not instigated the action, there is little or no dividend payable to the Council. On receipt of the statement of affairs from the Trustee or Liquidator, it is usually clear how much, if any, is available for creditors. After taking into account any payments received or due, the balance is then written off as irrecoverable.

2.4 Death of the Debtor

In the majority of cases the debt remains collectable from the estate of the deceased Debtor. However, in certain circumstances it is not possible to collect and the debt will be written off, commonly where there are no assets or, in rare cases, where a debtor dies intestate or where we cannot trace who the legal executors are.

Where there are assets and the Executors fail to make the necessary payment to clear any debt, the Council will take separate action to recover this debt (civil enforcement proceedings).

2.5 Absconders who cannot be traced

There are occasions when debtors abscond leaving debts. In all cases concerted efforts are made to trace the debtor. This includes:

- A check by the Accounts Receivable Service using internal and external tracing tools;
- Passing the debt to an Enforcement Agency to see if they are able to trace the debtor
- through their internal processes; and
- Passing the debt to an external tracing agency for a thorough check of all commercially available databases that can be used to trace debtors.

2.6 Small balances/amounts uneconomical to collect

Legal enforcement proceedings are taken for money owed in excess of £25. On occasions where debtors have left the area, it is considered uneconomic to pursue these small balances beyond the issue of copy bills. These debts are written off on a regular basis.

If a debtor comes back into the District or is subsequently traced, the debt is raised and recovery action continues using all available remedies.
3.0 Other Write Off situations

3.1 Court, bailiff and other costs

When the debt is being written off for one of the reasons described above legal fees and costs incurred in the recovery process are always written off separately for accounting purposes.

There are a small number of cases that are taken to court and subsequently issued to Enforcement Agents where the liability is incorrect, but the Council was unaware of this at the time the action was taken. In correcting the liability, the Council may cancel the costs providing we are satisfied that the debtor is not 'blameworthy'.

3.2 Miscellaneous

The Council has some debts that are not cost effective to pursue and are written off. These will be exceptional in nature and approved by the s151 Officer or Cabinet Member depending on the size of debt. There will be instances where an account may have a remaining credit balance. If the credit is less than £5 and no other debts remain outstanding within the Council, this will be written off. If the credit more than £5 and it has not been possible to refund the money this will be written off after a period of 1 year.

4.0 Processing a write off request

This is covered by separate staff procedure notes using appropriate computer system transaction codes so that the reason for the write off can be identified and monitored.

5.0 Management checks

The Accounts Receivable Service has a range of management controls to ensure that debt is only written off in accordance with this policy document. The controls and management checks are summarised in the table below:

<table>
<thead>
<tr>
<th>Debt Type</th>
<th>Less than £5</th>
<th>Up to £100</th>
<th>Up to £2,000</th>
<th>Over £2,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry Debtors</td>
<td>Bulk Auto Write-Off</td>
<td>Accounts Payable Staff</td>
<td>Group Head of Corporate Support</td>
<td>Cabinet Member for Corporate Support</td>
</tr>
</tbody>
</table>

6.0 Policy Review

This procedure will be reviewed on an annual basis by the Chief Finance Officer (s151 Officer) in order to ensure it remains valid, effective and relevant.

Signed: [Signature]

Date: 31/03/19