

Slough Borough Council

Report To:	Cabinet
Date:	17 March 2025
Subject:	Approval to write-off individual debts greater than £15,000
Lead Member:	Cllr Shaik, IT, Customer Services, Revenues and Benefits, Procurement, and Performance
Chief Officer:	Annabel Scholes, Executive Director Corporate Services (S151)
Contact Officer:	Andy Jeffs, Director of Revenues and Welfare Services
Ward(s):	All
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	None

1. Summary and Recommendations

- 1.1 This report seeks approval to write-off individual uncollectable Business Rates debts that exceed £15,000. The aggregate total value of these debts is £0.382m. All the Businesses have either been dissolved or gone into liquidation.
- 1.2 Given the high volume and value of invoices and bills issued by the Council there will always be a requirement to write-off an element of debt as uncollectable and that is factored into the Collection Fund calculation and in accordance with good financial management principles, the Council makes appropriate Bad Debt Provision for uncollectable debt in its accounts.
- 1.3 All cases requested for write-off follow a lengthy process to attempt to recover the outstanding money, sometimes dating back many years. Only after all avenues have been exhausted will the Council consider writing off debt. Once debts have been identified as uncollectable and require Cabinet approval for write-off a request for this is made in a timely manner.

Recommendations:

Cabinet is recommended to:

- I. Authorise the write-off of those debts identified in the report.

Reason:

Financial Procedure rules require Cabinet to approve any individual debt write-off greater than £15,000.

Commissioner Review

The Commissioners are content with this report being considered.

2. Report

Introduction

- 2.1 The Council is responsible for the collection of Business Rates. This report sets out those debts over £15,000 that require write-off. Table 1 below provides a breakdown of the £0.382m along with the reason for the write-off request.

Table 1 – Type of debt and reason

Type of Debt	Reason for Write-off	Amount £000	Bad Debt Provision £000	No. of Accounts
Business Rates	Dissolved	63	16%	2
	Liquidation	319	84%	5
Total		382		7

Background

- 2.2 In accordance with good financial management principles, the Council makes appropriate bad debt provision for all revenue streams. 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 that will eventually be recovered.
- 2.3 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 Enforcement Agents or HB Public Law to secure payment.
- 2.4 Sometimes, however, if a debtor is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period to collect the debt.
- 2.5 In some cases, pursuit of an outstanding debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases under £1,000 can be written off by the Director of Revenues and Welfare Services, or between £1,000 and £15,000 the Executive Director Commercial Resources (S151) under delegated authority. Cases where the debt exceeds £15,000 must, however, be approved by Cabinet prior to the debt being written off.

- 2.6 A record is kept of debts written off, together for the reason for doing so, so that if there is a realistic chance of recovery in the future a debt may be written back on and pursued again.

Business Rates

- 2.7 There are 7 debts totalling £0.382m that need approval from Cabinet to write-off. In all cases the businesses have ceased trading with no assets.
- 2.8 Since 2010/11 the Council has previously written off a total of £16.2m, 1.59% of the Business Rates billed. The eventual collection rate for Business Rates is 98.03% over the same period. The eventual collection in more recent years is higher at 98.7%. As at the end of December 2024 net previous year arrears outstanding was £3.692m. This debt is being actively pursued.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 For Business Rates the amounts collected are held in the Collection Fund and the amount assumed for collection in the budget is credited to the Council's general fund. Any variation to the amount collected is managed through the Collection Fund and variances dealt with in the following financial year. Provision is made in the Collection Fund for bad debts which is assumed in the amount included in the Council budget.
- 3.1.2 The proposal to formally write off these debts reflect the fact that the businesses have ceased trading with no assets and there is no prospect of recovery.
- 3.1.3 50% of collected debt is on behalf of central government and a further 1% on behalf of the Fire Authority. As such the impact on Council's element of the Collection Fund is £0.187m, 49%. Eventually there is a consequential impact on the General Fund as the reduction impacts on the NNDR surplus within the Collection Fund.

3.2 Legal implications

- 3.2.1 The Council has a debt management policy and a specific policy for recovery of Adult Social Care debts. Both policies cover the need to write off debts when they are deemed uncollectable. Council tax and Business Rates collection is governed by a specific statutory framework which provides for a liability order being made and various different options for enforcement. Use of these powers is governed by policy and procedures to ensure fair collection methods.

3.3 Risk management implications

- 3.3.1 There are no specific issues arising directly from this report. It is important that the Council regularly reviews its debts and make appropriate write off decisions to ensure there is clarity on the level of bad debt provision and that enforcement action and collection rates are regularly benchmarked and reviewed.

3.4 Environmental implications

- 3.4.1 There are no direct environmental impacts anticipated from the recommendations contained within this report.

3.5 Equality implications

3.5.1 There are no equality implications arising directly from this report. The policies referred to above consider the equality implications of certain debt collection. This is particularly relevant in relation to the collection of Adult Social Care debt.

3.6 Procurement implications

3.6.1 There are no procurement implications arising directly from this report.

3.7 Workforce implications

3.7.1 There are no workforce implications arising directly from this report.

3.8 Property implications

3.8.1 There are no property implications arising directly from this report.

4. Background Papers

None.

**Business Rates £15,000+
Write Off Requests**

Debt £15,000 plus				
Account	Name	Address	Total Amount of Write Off	Reason
Dissolved				
113748815	VHN 89 LIMITED	106-109 QUEENSMERE, SLOUGH, SL1 1DQ	£40,492.54	Company dissolved 27.02.2024 as per Companies House.
113740894	SEPREX LTD	1 ST FLR 164 HIGH STREET, SLOUGH, SL1 1JP	£22,794.50	Company dissolved 19.03.2024 as per Companies House.
Total			£63,287.04	
Liquidation				
113727510	WOOSHK LTD	GND FLR 1ST & 2ND FLR, 470 LONDON ROAD, SLOUGH, SL3 8QY	£51,912.52	Company in liquidation 14.12.2023 - proof of debt form and copy bills sent to insolvency practitioners.
113751313	WOOSHK LTD	GND FLR 1ST & 2ND FLR, 470 LONDON ROAD, SLOUGH, SL3 8QY	£74,210.16	Company in liquidation 14.12.2023 - proof of debt form and copy bills sent to insolvency practitioners.
113733650	WOOSHK LTD	GND FLR 1ST & 2ND FLR, 470 LONDON ROAD, SLOUGH, SL3 8QY	£60,862.52	Company in liquidation 14.12.2023 - proof of debt form and copy bills sent to insolvency practitioners.
113748243	WOOSHK LTD	GND FLR 1ST & 2ND FLR, 470 LONDON ROAD, SLOUGH, SL3 8QY	£57,826.14	Company in liquidation 14.12.2023 - proof of debt form and copy bills sent to insolvency practitioners.
113755422	WOOSHK LTD	GND FLR 1ST & 2ND FLR, 470 LONDON ROAD, SLOUGH, SL3 8QY	£74,210.16	Company in liquidation 14.12.2023 - proof of debt form and copy bills sent to insolvency practitioners.
Total			£319,021.50	
Grand Total			£382,308.54	