

**The Highland Council**  
**Resources Committee – 26 November 2014**

Agenda Item	15
Report No	RES/69 /14

**Consideration of Debts to be Written Off**

**Report by Director of Finance and Head of Corporate Governance**

**Summary**

At the Resources Committee meeting in August, Members asked that a report be brought to the next meeting upon consideration of debts presented to be written off and, in particular, if such consideration should be undertaken in public.

This report advises Members of the Council's current practice and invites Members to continue to determine such matters in private.

**1. Background**

- 1.1 The Resources Committee in August were asked to agree to the write off of a small number of debts including the non-domestic rates liability of a local business that had moved into administration. Members asked that a Report be prepared for a future meeting setting out the basis for consideration of such matters in private.

**2. Scheme of Delegation**

- 2.1 The Scheme of Delegation to officers allows for all individual debts considered to be irrecoverable of up to the value of £1,000 to be authorised for write off by the Exchequer Manager (Policy and Development). Individual debts of less than £5,000 and accounts where there has been sequestration, liquidation, administration or receivership following notification by Trustee/Accountant in Bankruptcy may be authorised for write off by the Head of Revenues and Business Support. All remaining debt is reported to Resources Committee for write off.
- 2.2 Separately the Head of Revenues and Business Support has delegated authority to write on debt that has previously has been written off.

**3. Consideration by Resources Committee**

- 3.1 Section 50A of the Local Government (Scotland) Act 1973 provides that the Council may by resolution exclude the public from a meeting during consideration of an item of business whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of that item of

business there would be disclosure to them of 'exempt information'.

- 3.2 Exempt information is defined by reference to Section 50J and in turn Schedule 7A to the 1973 Act. The Schedule sets out a list of matters that fall to be considered as exempt information.
- 3.3 Paragraph 6 of the Schedule provides that information relating to the financial or business affairs of any particular person (other than the authority) would be considered to be exempt information.
- 3.4 The Council's long standing practice, in common with other local authorities, when considering reports in respect of the financial affairs of individuals and companies is to ask that members of the Committee resolve to agree that the matter is taken in private.
- 3.5 As noted above the Scheme of Delegation does allow for debts of less than £5,000 and those where there has been the involvement of the Accountant in Bankruptcy to be authorised for write off by officers. The continued consideration of future reports seeking authority for write off in private is entirely consistent with this approach. It is also important to note that debts may be written on again if circumstances change and there appears to be a prospect of recovery.
- 3.6 It is recommended that Members continue to be invited to agree that reports containing information relating to the financial or business affairs of any particular person be considered in private..

#### **4. Implications**

- 4.1 There are no resource, legal, equalities, climate change/Carbon Clever, risk, Gaelic or rural implications to be highlighted.

#### **Recommendation**

Members are asked to agree to consider reports containing information relating to the financial or business affairs of any particular person in private.

Designation: Director of Finance and Head of Corporate Governance

Date: 17 November 2014

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