

<b>Item No.</b> N/a	<b>Classification:</b> Open	<b>Date:</b> 21 March 2018	<b>Decision:</b> Cabinet Member for Finance, Modernisation and Performance
<b>Report Title:</b>		Exchequer Services Rent Arrears Debt Write-Off - Over £5k Quarter 2 2017-18	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of of Exchequer, Finance and Governance	

## RECOMMENDATIONS

1. That approval is given for write off of Former Tenant debt in Appendix 1 totaling £154,445.98.
2. That the Cabinet Member advises of any further action required on any write-offs not agreed within this report.

## BACKGROUND INFORMATION

3. Under the Council's Constitution write-off of debts above £5,000 but below £50,000 has been delegated to individual Cabinet Members within their own service area. Debt write-off under £5,000 can be authorised by Chief Officers. Write off of any debt over £50,000 must be referred to Cabinet for authorisation.
4. There are a number of key reasons why the Council may wish to write-off a debt. These are:
  - The debt cannot be substantiated i.e. there is no documentary evidence that the debtor accepted the goods or services with the knowledge that a charge would be made.
  - The debt is uneconomical to collect i.e. the cost of collection including substantiation, is greater than the value of the debt.
  - The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded the debt cannot be enforced by legal action. Regard has been given to debt over 6 years old within Quarter 2 write off schedule in categories where no tenant was liable for rental payments.
  - The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor. All debtors are checked against the Council Tax and Housing Benefits' data bases as well as external traces actioned via Experian. All unsuccessful cases are referred for write off after 6 months.
  - The debtor is deceased and there is no likely settlement from the estate or next of kin.
  - Hardship, where permitted, on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
  - Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

5. This write-off has been approved in accordance with the Councils agreed write-off policies and procedures, for the reasons stated in paragraph 4 above and in particular because in individual cases:
  - The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor including using external tracing companies.
  - The debtor is deceased and there is no likely settlement from the estate or next of kin.
  - The debtor was traced but there is little or no prospect of recovery of the debt and no known asset.
  - The debtor is in a state establishment/institution and hence there is no reasonable prospect of recovery. Such cases will be supported by documentary evidence from the establishment or carer before the write off is authorised.
6. Under the council's write-off policies and procedures it is possible to reinstate the debt if the debtor is traced and it is economical and reasonable to pursue the debt.

### **Resource Implications**

7. The total debts recommended for write-off is **£154,445.98** relating to former exchequer tenant arrears.

### **Community Impact Statement**

8. No significant impact is envisaged for the community resulting from the report recommendations.
9. It should be noted that an exercise has been undertaken to identify historic arrears debt in excess of 6 years old and write these off where there is no on-going commitment to pay.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Exchequer Services (FIN0579)**

10. As per paragraph 5 the schedule of write-offs has been compiled in accordance with the Council's agreed policy and procedures.
11. The debts are recommended for write-off, as they are considered either irrecoverable or uneconomical to collect.
12. The recommended write-off of £154,445.98 is contained within the council's revenue account bad debt provision.

## Director of Law and Democracy (SB072011)

13. Where the Cabinet Member is satisfied that one or more of the circumstances in paragraph 4 apply it is lawful and reasonable for the council to write off a debt.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Former Tenant Arrears Accounts	Former Tenant's Arrears Team, 1 <sup>st</sup> Floor 160 Tooley Street, London SE1 2TZ	Russell Robertson Tel: 020 7525 4767
Former Tenants Arrears Policy and Procedure	Former Tenant's Arrears Team, 1 <sup>st</sup> Floor 160 Tooley Street, London SE1 2TZ	Russell Robertson Tel: 020 7525 4767

### APPENDICES

No.	Title
Appendix 1	Overview of Write-Offs
Appendix 2	Schedule of write -offs

### AUDIT TRAIL:

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Dominic Cain, Director of Exchequer Services	
<b>Version</b>	Final	
<b>Dated</b>	6 March 2018	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	6 March 2018	

## APPENDIX 1

Write off reason	Total
Deceased over £500.00	£83,091.90
Did not occupy over £500.00	£10,430.95
Gone abroad over £500	£18,535.90
Over 6 years over £500	£5,462.95
State Establishment over £500	£31,233.92
Vulnerable tenant over £500	£5,690.36

## APPENDIX 2

### AYLESBURY AND CAMBERWELL

Payment Reference	Tenancy end date	Current Balance	Reason
XXXXXX9089	16-Jan-08	5019.87	Deceased over £500.00
XXXXXX5027	06-Jan-03	5144.59	Deceased over £500.00
XXXXXX4010	01-Mar-15	5802.01	Deceased over £500.00
XXXXXX3749	29-Nov-15	6083.85	Deceased over £500.00
XXXXXX8019	08-Feb-99	7006	Deceased over £500.00
XXXXXX1017	17-Dec-01	7071.65	Deceased over £500.00
XXXXXX1017	22-Apr-13	5250.39	Did not occupy over £500.00
XXXXXX7583	#####	6461.43	Gone abroad over £500

XXXXXX7014	15-Mar-03	5462.95	Over 6 years over £500
XXXXXX6010	28-Aug-16	6536.31	State Establishment over £500
XXXXXX8382	20-Nov-09	7348.48	State Establishment over £500
XXXXXX8191	04-Feb-13	5690.36	Vulnerable tenant over £500

Payment Reference	Tenancy end date	Current Balance	Reason
XXXXXX5080	19-Nov-12	5738.38	Deceased over £500.00
XXXXXX4648	14-May-17	5810.89	Deceased over £500.00
XXXXXX3039	10-Jul-16	5447.07	Gone abroad over £500
XXXXXX4233	27-Mar-16	5391.98	State Establishment over £500

Payment Reference	Tenancy end date	Current Balance	Reason
XXXXXX4010	27-Nov-16	5148.08	Deceased over £500.00
XXXXXX8742	13-Feb-09	5824.3	Deceased over £500.00

Payment Reference	Tenancy end date	Current Balance	Reason
XXXXXX6280	08-Sep-10	6391.53	Deceased over £500.00

<b>Payment Reference</b>	<b>Tenancy end date</b>	<b>Current Balance</b>	<b>Reason</b>
XXXXXX5015	27-Apr-01	5082.24	Deceased over £500.00
XXXXXX9013	20-Jan-12	6257.37	Deceased over £500.00
XXXXXX8863	10-Jul-16	6711.14	Deceased over £500.00
XXXXXX1533	08-Sep-13	5180.56	Did not occupy over £500.00
XXXXXX3106	18-Oct-15	6627.4	Gone abroad over £500
XXXXXX4014	23-Aug-15	6504.6	State Establishment over £500
XXXXXX5421	26-Jun-16	5452.55	State Establishment over £500