

Item No.	Classification: Open	Date: 10 February 2020	Decision Taker: Cabinet Member for Finance, Performance and Brexit
Report title:		Council tax write-offs over £5,000 and under £50,000	
Ward(s) or groups affected:		All	
From:		Director of Exchequer Services	

RECOMMENDATIONS

1. That approval be given for the write-off of £190,458.64 of debt detailed in Appendix 1 of this report (multiple write-offs).
2. That the cabinet member advises any further action they require on any write-offs not agreed within this report.

BACKGROUND INFORMATION

3. Under the council's constitution write-off of debts of £5,000 up to £50,000 has been delegated to individual members within their own service area. Debt write-off under £5,000 can be authorised by chief officers. Write-off of any debt of £50,000 or over 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 is uneconomic 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.
 - There has been a negotiated settlement as part of a complaint or dispute resolution which leaves a residual amount to be written off.
 - The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
 - The debtor is deceased and there is no likely settlement from the estate or next of kin.
 - Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against and no likelihood of settlement.

KEY ISSUES FOR CONSIDERATION

Policy implications

5. The proposed write-offs set out in this report are recommended in accordance with the council's agreed write-off policies and procedures.
6. Appendix 1 includes 29 debts, with a total value of £190,458.64.
7. The revenues business unit have used a minimum of three tracing methods and have conducted a 10% audit review to ensure that the correct procedures have been adhered to. In the cases referred to within Appendix 1 of this report the Revenues Business Unit can confirm that the checking procedure has been followed.
 - The council tax write-offs are recommended by the council's revenues business unit. In each case the revenues business unit has attempted to trace council tax payers using standard procedures.
 - If a debtor has absconded, the business unit would use a number of tracing systems to attempt to locate the current address; these would include the council databases and internal/external agencies as appropriate according to the amount of the debt.
 - In the case of a deceased council tax payer and following confirmation that there are no funds in the estate to settle the debt, the debt will be submitted for write-off.
 - Where the council tax payer is insolvent and confirmation is received there are no dividends available to pay creditors, the account is submitted for write-off.

Community impact statement

8. All write-offs are considered with due regard to any potential community impact and on their own merits. This decision has been judged to have no or a very small impact on local people and communities.

Resource implications

9. The total debt recommended for write-off is £190,458.64 relating to council tax payers that have absconded, been made bankrupt or deceased.
10. The debts in Appendix 1 will be contained within the council tax bad debt provisions or be a charge to the collection fund 2019-20 as appropriate.
11. The schedule of write-offs have been compiled in accordance with the council's agreed policy and procedures.

12. Under the constitution, the write-off of debts below £50,000 but over £5,000 is delegated to the cabinet member within their own service area. The debt has arisen due to the non-payment of council tax.
13. The council's policy on write-off allow debts to be written off where the debtors have either absconded, been made bankrupt, deceased, or where it is uneconomical to pursue recovery of the debt,

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

14. This report recommends that the debts as set out in Appendix 1, be written off in accordance with the council's procedure on debt write-off. Each debt is above £5,000 but below £50,000.
15. The report has set out circumstances whereby debts can lawfully be written off by the council and these include circumstances when a debtor has gone bankrupt, the debt is time barred, where the debtor is deceased or gone away. In such circumstances to pursue the debt would be a very difficult and costly exercise with little or no chances of success.
16. Approving write-off of debts between £5,000 and £50,000 is reserved, under the council's constitution, to cabinet members where it is within their areas of responsibility. Responsibility for council tax collection falls within the portfolio of the cabinet member for finance, performance and Brexit.
17. The director of law and democracy considers the proposed write-offs to be in accordance with the council's procedures and lawful.

Strategic Director of Finance and Governance

18. Each debt meets one or more of the criteria for write-off and the strategic director of finance and governance considers that it would be uneconomic to make any further attempts at recovery of the debt on recommendation from the director of exchequer services.
19. The cost of the write-offs will be met from the provision for bad debts for council tax or be a charge to the collection fund 2019-20 as appropriate as referred to in the resource implications section of this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council Tax Customer Accounts	Exchequer Services 160 Tooley Street London SE1 2QH	Andy Taplin 020 7525 3944

APPENDICES

No.	Title
Appendix 1	Write-off pro-forma

AUDIT TRAIL

Lead Officer	Dominic Cain, Director of Exchequer Services	
Report Author	Andy Taplin, Operations Manager (Income)	
Version	Final	
Dated	7 February 2020	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and governance	Yes	Yes
Date final report sent to Constitutional Team		7 February 2020

APPENDIX 1

Account Reference Number	Account Start date	Account End date	W/off Reason	Outstanding Debt
4066528	01/04/1993	30/09/2012	No Trace	5744.91
4123396	01/04/1993	31/03/2015	No Trace	8221.39
4201054	19/12/1994	31/03/2012	No Trace	9088.93
4244644	15/04/1996	16/04/2012	No Trace	5173.53
4255544	29/07/1996	22/04/2012	No Trace	9337.79
4302919	01/09/1997	30/07/2017	Decd	6157.16
4377158	10/04/2000	30/09/2015	No Trace	9935.37
4380505	31/01/2000	06/05/2012	No Trace	5250.65
4416350	01/07/2001	20/11/2016	No Trace	8144.92
4444429	05/08/2001	19/08/2012	Bankrupt	8021.37
4448262	25/06/2001	12/08/2018	No Trace	6359.52
4498384	05/09/2003	31/03/2014	Bankrupt	5665.75
4547711	01/02/2005	31/03/2009	Decd	5875.79
4582498	05/12/2004	21/06/2011	No Trace	6065.23
4597386	22/05/2006	24/11/2013	No Trace	6421.5
4714472	24/06/2008	22/12/2013	No Trace	5281.72
4828701	04/03/2009	02/09/2013	No Trace	5222
4854198	01/04/2005	05/02/2012	No Trace	7565.77
4875738	08/07/2011	29/04/2018	No Trace	6467.9
4893454	21/10/2011	30/09/2017	No Trace	8746.48
4925146	04/05/2012	01/01/2017	No Trace	5001.19
4988071	12/08/2012	17/07/2017	No Trace	5321.24
5029921	01/06/2009	24/04/2014	No Trace	5311.38
5060926	14/08/2014	25/11/2017	No Trace	5777.29
5116189	01/08/2012	31/07/2018	No Trace	5935.7
5117931	10/02/2012	13/07/2017	No Trace	6587.04
5129298	12/05/2011	04/05/2017	No Trace	5647.29
5184499	20/09/2010	10/06/2016	No Trace	6955.04
5241365	28/08/2011	30/01/2017	Aboard	5174.79