

Item No.	Classification: Open	Date: 24 February 2021	Meeting Name: Cabinet Member for Social Support and Homelessness
Report title:		Authorisation of debt write-offs of £5,000 up to £50,000 for the Adult Social Care Division	
Ward(s) or groups affected:		N/A	
From:		Director for Adult Social Care	

RECOMMENDATIONS

1. That the Cabinet Member for Social Support and Homelessness authorises the write off of £82,378.33 of debt as set out in Appendix 1 of the report.
2. That the Cabinet Member for Social Support and Homelessness advises on any further action they require on any write-offs not agreed within this report.

BACKGROUND INFORMATION

3. Under Southwark Council's constitution, write-off of debts of between £5,000 and £50,000 are delegated to individual Cabinet members within their own portfolio areas. Debt write-offs 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 include:
 - 4.1 The debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt.
 - 4.2 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.
 - 4.3 There has been a negotiated settlement as part of a complaint or dispute resolution which leaves a residual amount to be written off.
 - 4.4 The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.

4.5 The debtor is deceased and there is no likely settlement from the estate or next of kin.

4.6 Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against and no likelihood of settlement.

4.7 The debt should not have been raised, was based on erroneous information or cannot be substantiated, and subsequent enquiries have confirmed this.

KEY ISSUES FOR CONSIDERATION

5. The total debt to be written off is £82,378.33. The debt is deemed unrecoverable as it relates to clients now deceased without estate or the debt cannot be substantiated.
6. The Adult Social Care Division holds a debt-write off reserve fund which is used to manage the financial impact of irrecoverable debts.
7. The outstanding debt situation will be monitored frequently and reviewed on a monthly basis. A write off report summarizing debt which has been deemed unrecoverable will be produced at a frequency of no less than bi-annually, in line with good practice.

Policy implications

8. These write-offs have been considered in accordance with the Council's Constitution and Corporate Write-off Policy.

Community impact statement

9. 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

10. These debts will be contained within the bad debt reserve provision set up by the Adult Social Care Division. The bad debt provision is reviewed annually and will take account of the proposed debt write-offs set out in this report.

Consultation

11. Not required

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

12. N/A

Director of Law and Governance

13. 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.
14. 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.
15. The debts set out in Appendix 1 relate to 6 deceased accounts where there is no estate and little chance of success of recovery and 1 account where the debt is uneconomical to collect.
16. The Director of Law and Governance considers the proposed write-offs to be in accordance with the council's procedures and law.
17. 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 adult social care fees fall within the portfolio of the cabinet member for Children, Schools and Adult Care.

Strategic Director of Finance and Governance

18. The Strategic Director of Finance and Governance notes the contents of this report, and in particular the comments found in the Financial Implications section. The service maintains a prudent provision for bad debt and this is reviewed annually. The items proposed for write-off can be contained within the existing provision.

Other officers

19. No other officers were required to be consulted

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None	N/a	Deborah Greenwood Deborah.greenwood@southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Debt write offs

AUDIT TRAIL

Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
Report Author	Deborah Greenwood, Client Finance Team Manager (Debt), Adult Social Care Division	
Version	Final	
Dated	16 February 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		23 February 2021