

Item No.	Classification: Open	Date: 28 July 2022	Decision Taker: Cabinet Member for Health and Wellbeing
Report title:		Client contributions debt write-off (£5k to £50k)	
Ward(s) or groups affected:		N/A	
From:		Director for Adult Social Care	

RECOMMENDATIONS

1. That the Cabinet Member for Health and Wellbeing authorise the write-off of £106,411.95 of debt as set out in Appendix 1 of the report.
2. That the Cabinet Member for Health and Wellbeing advise 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:
 - 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.
- Insolvency: where the organisation or person has gone into bankruptcy and there are no assets to claim against and no likelihood of settlement.
- 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 £106,411.95. The debt is deemed unrecoverable as it relates to clients now deceased without estate and where the debt is time barred.
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 summarising debt that has been deemed unrecoverable will be produced at a frequency of no less than bi-annually, in line with good practice.

Policy framework implications

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

Community, equalities (including socio-economic) and health impacts

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.

Equalities (including socio-economic) impact statement

10. Southwark Council treats all individuals consistently and fairly and ensures that individuals rights under General Data Protection Regulation (GDPR) and human rights legislation is protected. Adult Social Care write offs are managed through a write off policy and each write off contained in this report is considered on an individual basis through a standard consistent and transparent approach.

Health impact statement

11. The health implications have been considered and there are none relevant to this report

Climate change implications

12. There is no climate impact

Resource implications

13. These debts are contained within the bad debt reserve provision set within 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.

Legal implications

14. In the case of the debts noted, there are no further implications for the debtor or chargeable assets associated with that debt, and associated debt recovery operations will also cease

Financial implications

15. These debts are contained within the bad debt provision set within the Adult Social Care division. The bad debt provision is reviewed annually and will take into account the proposed debt write offs set out in this report.

Consultation

16. No other officers were required to be consulted

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

17. 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.
18. The report has set out circumstances whereby debts can lawfully be written off by the council and these include circumstances such as where 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 chance of success.

19. The debts set out in Appendix 1 relate to 6 deceased accounts where there is no estate and little chance of success of recovery, 2 accounts where the debt is time barred (carefirst debt) and over 6 years old and 1 account where we have come to a negotiated settlement.
20. The Director of Law and Governance considers the proposed write-offs to be in accordance with the council's procedures and law. 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.

Strategic Director of Finance and Governance REF: (07RV2223)

21. 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.

Other officers

22. No other officers were required to be consulted.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Invoices, statements and debt recovery information	Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH	Deborah Greenwood 020 7525 0815

APPENDICES

No.	Title
Appendix 1	Debt write off - Open debts - £5k to £50k

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	5 July 2022	
Key Decision?	Yes	
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		28 July 2022