

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 25 July 2023	<b>Decision Taker:</b> Cabinet Member for Health and Wellbeing
<b>Report title:</b>		Client contributions debt write-off (£5k to £50k)	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director for Children and Adult Services	

## RECOMMENDATIONS

1. That the Cabinet Member for Health and Wellbeing authorise the write-off of £42,611.50 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 accrued or since the debt was acknowledged by the debtor, the creditor cannot bring court proceedings to recover the debt.
  - 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 £42,611.50.
6. The debt is deemed unrecoverable as it relates to two cases where the debt is time barred and cannot be recovered through the court, one case where clients now deceased and have no estate, and one case where the service user has entered into a debt relief order through the Insolvency Service.
7. The Adult Social Care Division holds a debt-write off reserve fund which is used to manage the financial impact of irrecoverable debts.
8. 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**

9. 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**

10. 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**

11. Southwark Council treats all individuals consistently and fairly and ensures that individuals rights under the UK General Data Protection Register (UKGDPR) and human rights legislation is protected.
12. 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.

13. We take into account steps to advance equality and good relations as well as eliminate discrimination. Use good evidence where it isn't available, take steps to gather it (where practical and proportionate and Use insights from engagement with employees, service users and others can help provide evidence for equality analysis.
14. The majority of Southwark Adult Social Care (ASC) service users (2,023 individuals) were in the age range of 18-64 years old. The second-largest group of service users were those aged 65-84 years old (2,106 individuals), followed by people in the 85+ cohort (1,147 individuals). The Income and Collection team treats all service users equally irrespective of their age whilst being sensitive to their circumstances, with particular attention paid to vulnerable service users aged 65 and over.
15. Between April 2022 and March 2023, the Income and Collection team raised £7.8m income from invoices sent out to disabled services users and The Council recognises that people with disability may require additional assistance in dealing with their financial affairs client's disability may impact their ability to make an informed decision with regards to their finance and or as it may relate to the debt owed to the Council, appropriate actions will be taken in line with relevant Council policies and procedures.
16. Southwark itself is an ethnically diverse borough. In 2022, the largest group of Adult Social Care service users in Southwark was 2,479 individuals identified as White, or 46%. The next largest group, 1,897 individuals, identify as Black/African/Caribbean/Black British, which makes up approximately 35.8% of the total number of service users.
17. There is a relatively large representation of Christians, with 1,096 service users (20.7% of the total), followed by those who declined to state their religion or record it. Other religions are less represented, with the largest group being the Church of England with 582 service users (11% of the total). The Income and Collection team always takes steps to ensure its actions and decisions on behalf of the service user do not inadvertently result in discrimination on the basis of their religion.
18. Within the ASC department, 57% of service users in 2022 were female, while 42% were male. The Council more use this information to understand the gender distribution of service users to identify any potential gender-based disparities in accessing services.

### **Health impact statement**

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

### **Climate change implications**

20. There is no climate impact.

### **Resource implications**

21. 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**

22. Where debts are written off, there are no further implications for the debtor or any potentially chargeable assets associated with that debt, and all associated debt recovery operations will cease

### **Financial implications**

23. 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**

24. No other officers were required to be consulted.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Assistant Chief Executive - Governance and Assurance**

25. 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 dated July 2015. Each debt is above £5,000 but below £50,000.
26. The report has set out the 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.
27. Approving write-off of debts between £5,000 and £50,000 is an executive decision of the council and is reserved, under the council's constitution to Cabinet members where it is within their areas.
28. The cabinet member will need to ensure that the public sector equality duty in section 149 Equality Act 2010 is considered i.e. to have due regard to the need to eliminate discrimination, advance equality of opportunity, and to foster good relations between people with protected characteristics and others. Reference is made to this in the "Community, equalities (including socio-economic) and health impacts" section above and no obvious adverse impact on anyone with a protected characteristic has been identified.

**Strategic Director of Finance REF: [12RV2324]**

29. 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**

30. No other officers were required to be consulted.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Councils Constitution	Adult Social Care Directorate, Personal Budgets and Client Finance, Children and Adult Services, 4 <sup>th</sup> Floor, 160 Tooley Street, London, SE1 2QH	Deborah Greenwood 020 7525 0815 020 7525 3672
Link: <a href="https://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=425&amp;Info=1&amp;bcr=1">https://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=425&amp;Info=1&amp;bcr=1</a>		
Equalities Act 2010	Adult Social Care Directorate, Personal Budgets and Client Finance, Children and Adult Services, 4 <sup>th</sup> Floor, 160 Tooley Street, London, SE1 2QH	Deborah Greenwood 020 7525 0815 020 7525 3672
Link: <a href="https://www.legislation.gov.uk/ukpga/2010/15/contents">https://www.legislation.gov.uk/ukpga/2010/15/contents</a>		
Public Sector Equalities Duty	Adult Social Care Directorate, Personal Budgets and Client Finance, Children and Adult Services, 4 <sup>th</sup> Floor, 160 Tooley Street, London, SE1 2QH	Deborah Greenwood 020 7525 0815 020 7525 3672
Link: <a href="https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty">https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty</a>		

--

**APPENDICES**

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

**AUDIT TRAIL**

<b>Lead Officer</b>	David Quirke-Thornton Strategic Director of Children and Adult Services	
<b>Report Author</b>	Deborah Greenwood, Client Finance Team Manager (Debt), Adult Social Care Directorate	
<b>Version</b>	Final	
<b>Dated</b>	29 June 2023	
<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>
Assistant Chief Executive - Governance and Assurance	Yes	Yes
Strategic Director of Finance	Yes	Yes
List other officers here	N/A	N/A
<b>Cabinet Member</b>	Yes	No
<b>Date final report sent to Constitutional Team</b>		19 July 2023