

<b>Decision Taker:</b>	Cabinet Member for Equalities, Democracy and Finance
<b>Date:</b>	12 August 2024
<b>Report title:</b>	Council Tax write offs over £5,000 and under £50,000
<b>Ward(s) or groups affected:</b>	All
<b>Classification:</b>	Open
<b>Reason for lateness (if applicable):</b>	Not applicable
<b>From:</b>	Strategic Director of Finance

## RECOMMENDATIONS

1. That approval is given for the write off of the debts detailed in Appendix 1 of the closed report totaling £119,705.65 (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. This report relates to 18 Council Tax debts that are deemed irrecoverable and seeks authorization for their write off.
4. 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.
5. 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**

6. The proposed write offs set out in this report are recommended in accordance with the Council's agreed write off policies and procedures.
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.
8. 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.
9. 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.
10. 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.
11. 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**

12. 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 The total debt recommended for write-off is £119,705.65 relating to Council Tax payers that have absconded, been made bankrupt or deceased.
- 11 The debts will be contained within the Council Tax bad debt provisions or be a charge to the Collection Fund in 2024-25 as appropriate.

- 12 The schedule of write offs have been compiled in accordance with the Council's agreed policy and procedures.
13. 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.
- 14 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**

### **Assistant Chief Executive (Governance and Assurance)**

15. This report recommends that the debts as set out in Appendix 1 of the closed report, be written off in accordance with the council's procedure on debt write-off. Each debt is above £5,000 but below £50,000.
16. 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.
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 council tax collection falls within the portfolio of the cabinet member for finance, modernisation and performance.
- 18 The Assistant Chief Executive (Governance and Assurance) considers the proposed write-offs to be in accordance with the council's procedures and lawful.

### **Strategic Director of Finance**

19. Each debt meets one or more of the criteria for write-off and the Strategic Director of Finance consider that it would be uneconomic to make any further attempts at recovery of the debt on recommendation from the Director of Customer and Exchequer Services.
20. 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 2024-25 as appropriate referred to in the resource implications section of this report.

## APPENDICES

No.	Title
None	

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director of Finance		
<b>Report Author</b>	Dominic Cain, Director of Customer and Exchequer Services		
<b>Version</b>	Final		
<b>Dated</b>	24 July 2024		
<b>Key Decision?</b>	Yes		
<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
<b>Cabinet Member</b>		Yes	No
<b>Date final report sent to Constitutional Officer</b>			5 August 2024