

Item No.	Classification: Open	Date: 28 December 2011	Decision Taker: Cabinet member for Finance, Resources and Community safety
Report title:		Authorisation of National Non Domestic Rates Debt Write-offs of £5,000 up to £50,000 for Revenues & Benefits Department	
Ward(s) or groups affected:		All	
From:		Assistant Director, Revenues & Benefits	

RECOMMENDATIONS

1. That approval is given for the write off of £1,222,681.64 of debt detailed in Appendix 1 of the 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
 - Hardship, where permitted, (not hardship relief) on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty
 - 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 108 debts, with a total value of £1,222,681.64.
7. The Revenues Business Unit has 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 procedures have been followed.
 - The National Non Domestic Rates write-offs are recommended by the Council's Revenues Business Unit. In each case the Revenues Business Unit has attempted to trace National Non Domestic Ratepayers 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 National Non Domestic Ratepayer 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 National Non Domestic Ratepayer is insolvent and confirmation is received that there are no dividends available to pay creditors, the account is submitted for write off.
8. Appendix 2 of the closed report provides a summary of the top 10 debts passed for write-off in this batch. This includes a full breakdown of the action taken before recommending for write-off.

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. The total debt recommended for write off is £1,222,681.64 relating to National Non Domestic Rates debts which are irrecoverable.
11. The debts in appendix 1 will be contained within the NNDR bad debt provisions.
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 National Non Domestic Rates.
14. The council's policy on write-off allows 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. There are other allowances for write offs detailed paragraph 4 above.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

15. 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.
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 very difficult and costly exercise with little or no chances of success.
17. The Strategic Director of Communities, Law and Governance considers these write-offs to be in accordance with the council's procedures and lawful.

Finance Director

18. Each debt meets one or more of the criteria for write-off and the Finance Director consider that it would be uneconomic to make any further attempt at recovery of the debt.
19. The cost of the write-offs will be met from the provision for bad debts referred to in the Resource Implications section of this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
National Non Domestic Rates Customer Accounts	Revenues & Benefits 16 Tooley Street London SE1 5HT	Norman Lockie 020 7525 0928

APPENDICES

No.	Title
Appendix 1	Write off pro forma

Lead Officer	Dominic Cain – AD Revenues & Benefits	
Report Author	Norman Lockie	
Version	Final	
Dated	28 December 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		28 December 2011

REQUEST FOR WRITE-OFF PRO-FORMA

Appendix 1

This pro-forma is to be used for multiple write-offs of £5,000 up to £50,000 that are being passed for cabinet member individual decision making and approval in accordance with the council's constitution and financial standing orders. A separate sheet should be used for each service area. If only one is being proposed for write off, this appendix is unnecessary, full details should be given in the key issues area. The closed appendix contains the reference number for identification of each debtor

Customer Reference Number	Reason For Write Off	Amount £.P	Account End Date
	Gone Away	£48,673.08	01/04/2008
	Insolvency	£33,984.49	03/01/2010
	Insolvency	£31,542.06	31/07/2007
	Insolvency	£30,987.66	31/07/2010
	Gone Away	£28,490.51	27/04/2010
	Insolvency	£26,471.94	20/07/2009
	Insolvency	£24,938.85	01/12/2009
	Insolvency	£23,114.40	10/08/2010
	Insolvency	£22,176.55	14/12/2009
	Insolvency	£21,680.26	31/03/2005
	Insolvency	£21,434.09	30/09/2010
	Insolvency	£21,402.63	31/08/2010
	Gone Away	£21,142.04	28/09/2003
	Insolvency	£20,727.88	01/06/2010
	Insolvency	£20,118.34	18/04/2010
	Insolvency	£20,013.30	22/07/2010
	Gone Away	£18,533.08	21/09/2006
	Insolvency	£18,062.74	23/11/2010
	Insolvency	£17,885.39	02/03/2010
	Gone Away	£17,141.89	27/09/2008
	Gone Away	£15,671.72	10/12/2010
	Insolvency	£15,477.00	31/03/2009
	Insolvency	£15,396.46	22/12/2009
	Gone Away	£15,255.40	30/06/2005
	Gone Away	£15,233.16	05/08/2001
	Insolvency	£15,042.90	30/08/2009
	Insolvency	£14,321.62	03/04/2011
	Gone Away	£13,372.80	10/10/2006
	Insolvency	£13,236.44	21/12/2010
	Insolvency	£12,777.03	22/08/2010

Customer Reference Number	Reason For Write Off	Amount £.P	Account End Date
	Insolvency	£12,757.76	17/06/2009
	Insolvency	£12,295.09	23/08/2011
	Gone Away	£12,249.11	02/07/2009
	Insolvency	£12,061.47	16/09/2010
	Insolvency	£12,000.33	16/12/2010
	Insolvency	£11,590.64	20/12/2010
	Insolvency	£11,320.95	31/03/2008
	Insolvency	£11,084.42	28/02/2008
	Gone Away	£10,929.14	27/07/2010
	Insolvency	£10,830.43	17/08/2010
	Insolvency	£10,605.86	11/01/2010
	Gone Away	£10,379.08	01/04/2005
	Insolvency	£10,346.79	30/06/2009
	Insolvency	£10,103.28	10/02/2010
	Insolvency	£9,715.86	28/04/2010
	Gone Away	£9,653.18	31/07/2006
	Insolvency	£9,421.78	06/08/2008
	Insolvency	£9,220.99	25/06/2010
	Insolvency	£9,154.77	12/03/2008
	Insolvency	£8,652.18	20/07/2009
	Insolvency	£8,611.76	26/08/2010
	Gone Away	£8,449.42	26/07/2006
	Insolvency	£8,431.50	31/03/2009
	Insolvency	£8,189.98	29/01/2010
	Insolvency	£8,189.45	31/03/2007
	Insolvency	£8,158.32	31/12/2008
	Insolvency	£8,096.38	28/02/2009
	Insolvency	£8,081.35	12/06/2007
	Insolvency	£7,941.25	18/04/2007
	Insolvency	£7,811.09	10/11/2006
	Insolvency	£7,602.35	29/06/2010
	Gone Away	£7,517.73	24/07/2007
	Insolvency	£7,475.22	28/09/2010
	Insolvency	£7,428.90	11/05/2009
	Insolvency	£7,408.05	20/07/2010
	Gone Away	£7,291.80	20/11/2001
	Gone Away	£7,274.11	28/02/2009
	Gone Away	£7,242.62	31/12/2004
	Insolvency	£7,185.13	10/05/2011

Customer Reference Number	Reason For Write Off	Amount £.P	Account End Date
	Insolvency	£7,168.00	16/06/2009
	Gone Away	£7,009.84	30/11/2007
	Insolvency	£6,877.83	15/08/2006
	Insolvency	£6,828.03	28/07/2011
	Insolvency	£6,826.31	01/10/2005
	Gone Away	£6,793.00	05/09/2010
	Gone Away	£6,680.43	27/09/2001
	Insolvency	£6,617.46	01/07/2009
	Insolvency	£6,564.11	31/03/2010
	Insolvency	£6,355.20	31/12/2009
	Insolvency	£6,346.93	24/06/2008
	Insolvency	£6,346.26	17/05/2009
	Insolvency	£6,194.11	16/03/2010
	Insolvency	£6,150.01	26/11/2010
	Insolvency	£6,097.97	14/10/2008
	Insolvency	£5,929.75	30/04/2010
	Gone Away	£5,874.73	11/06/2009
	Insolvency	£5,843.68	31/03/2009
	Insolvency	£5,777.71	30/08/2009
	Insolvency	£5,755.57	31/03/2009
	Insolvency	£5,692.70	12/06/2007
	Insolvency	£5,654.02	11/09/2007
	Insolvency	£5,653.99	19/04/2010
	Gone Away	£5,568.27	07/05/2004
	Insolvency	£5,536.17	09/08/2011
	Gone Away	£5,395.56	22/09/2004
	Insolvency	£5,364.81	25/03/2010
	Insolvency	£5,277.95	07/12/2009
	Gone Away	£5,211.70	31/03/2005
	Gone Away	£5,182.90	14/07/2007
	Insolvency	£5,097.28	24/05/2009
	Gone Away	£5,055.06	31/08/2007
	Insolvency	£5,028.37	30/12/2006
	Insolvency	£5,028.23	23/03/2010
	Insolvency	£4,893.91	01/01/2009
	Gone Away	£4,853.06	09/08/2006
	Gone Away	£4,793.26	12/09/2008
	Insolvency	£4,792.03	22/11/2010
	Gone Away	£3,498.21	10/11/2010
	Total:	£1,222,681.64	