

CenSus  
Council Tax and  
Non-Domestic Rates  
Write Off Reason Guide

## **Council Tax and Non-Domestic Rates - Write Off Reason Guide**

There are a number of reasons as to why the Council will put forward unpaid Council Tax and Non-Domestic Rates debts for write off. These reasons are listed in detail below:

### **Absconded:**

This is where a debtor cannot be traced and no forwarding address can be found to undertake further recovery action against the debtor. Tracing action has been undertaken in attempting to find the debtor which will include checking the debtor's details in the Council Tax and Housing Benefits database, checking with credit reference and tracing agencies including Equifax and LOCTA and referring to our external Bailiff companies to undertake their own tracing enquiries.

Where a forwarding address cannot be found after undertaking the above tracing enquiries, the debt will be referred for consideration of write-off. If the debtor subsequently reappears or is traced, the debt will be written back on and recovery action can be recommenced.

### **Bankruptcy:**

Where an individual has been declared bankrupt, we make a claim for the debt outstanding. It is unlikely we will receive a dividend payment from this claim but if one is subsequently received, the amount is written back on. Creditors are unable to take recovery action against the debtor and the debt will be referred for consideration of write-off.

### **Company Dissolved:**

Where a company has been dissolved, it will no longer exist and have no legal identity. There will be no prospect of recovery in these cases and the debt will be referred for consideration of write-off.

### **Liquidation:**

Where a company is in liquidation, we make a claim for the debt outstanding. It is unlikely we will receive a dividend payment from this claim but if one is subsequently received, the amount is written back on.. As there is little prospect of recovery, the debt will be referred for consideration of write-off.

### **Administration:**

Where a company is in administration and ceased trading, we make a claim for the debt outstanding. It is unlikely we will receive a dividend payment from this claim but if one is subsequently received, the amount is written back on.. Any debts owed by a company in administration will be referred for consideration of write-off.

### **Insolvency:**

Insolvency is where an individual or company is unable to pay their debts. It includes Bankruptcy, Individual Voluntary Arrangements, Debt Relief Orders, Liquidation, Administration and Company Voluntary Arrangements. Where a company or individual is insolvent, we make a claim for the debt outstanding. It is unlikely we will receive a dividend payment from this claim but if one is subsequently received, the amount is written back on. Any debts owed by an insolvent company or individual are therefore be referred for consideration of write-off.

### **Uncollectable:**

The costs of undertaking more advanced forms of recovery including Bankruptcy Action, Charging Orders or making an application for Committal to Prison can be high with no guarantee the debt will be paid. Alternatively, the costs of undertaking these actions would be higher than the actual debt. These accounts would have gone through all the standard forms of recovery action before being referred for consideration of write-off including issuing to bailiffs (Council Tax and Non-Domestic Rates) and attempting to attach from an individual's salary or benefits (Council Tax).

### **Small Balance:**

These are debts below £50.00. The costs of pursuing the debt through Court action would exceed the actual debt. In addition, the costs of pursuing a debt from an individual or business no longer resident in the property could further increase the costs. The costs of pursuing the debts would not be financially viable and would therefore be referred for consideration of write-off.

### **Debtor Deceased:**

Where a debtor is deceased and the assets from their estate are insufficient to meet all the debts, the estate is therefore insolvent. In these circumstances the Council is unable to take further recovery action and the debt is referred for consideration of write-off.

### **Committed to Prison:**

Where a term of imprisonment has been served in respect of a debt the Council will be precluded from taking any further action to recover the outstanding balance and the debt will be referred for consideration of write-off.

### **Remitted by Magistrates :**

Magistrates have the power to remit all or part of a debt. If the Magistrates have taken a decision to remit the debt no further recovery action can be taken and the debt will be referred for consideration of write-off.