

Write Offs

Report by the CenSus Head of Revenues and Benefits

1.0 Summary

- 1.1 The report considers debts to the Council under a number of headings that are recommended for write off.

2.0 Background

- 2.1 The Council is responsible for the collection of income over a number of heads - local taxes such as council tax, national taxes like business rates, charges for council services and council house rents
- 2.2 The Council's accounts will initially show the gross amount of such income due to it but prudent financial management requires that the accounts must also reflect a realistic assessment of those outstanding debts that are unlikely to be collected.
- 2.3 Once it has been decided that a debt is uncollectable or not cost effective to pursue, it should be written off against any bad debt provision made. The Executive Head of Financial Services presently has delegated power under item 4.1.2 (page 3-49) of the Council's Constitution to write off amounts up to £2,500 as irrecoverable and these will be notified to Members through the Members Bulletin as and when appropriate. Amounts over £2,500 which it is proposed to write off are submitted individually to the Cabinet Member for consideration.
- 2.4 The Council should properly write off **non-domestic rates** where the ratepayer has been declared bankrupt or the business concerned has gone into receivership or liquidation or has absconded from the district. Any amounts properly written off are charged against the central non-domestic rates pool and has no further impact on this Council's finances
- 2.5 As a matter of law, local authorities are under an obligation to take reasonable steps to collect **council tax** debts. There are, however, many situations where the local authority is justified in writing off debts, as listed below:-
- (i) The Magistrates Court waives all or part of the tax;
 - (ii) The taxpayer is committed to prison;
 - (iii) The taxpayer is declared bankrupt, provided that a claim has been made;
 - (iv) The taxpayer dies insolvent, provided that a claim has been made on the estate;

- (v) The taxpayer has left the property and the local authority is unable to trace them;
- (vi) As for (v), but where the debt is small, write off can be done without taking steps to trace the taxpayer;
- (vii) Local Authority Benefit error where an overpayment has occurred and the claimant could not have been reasonably expected to know that an excess benefit had been paid.

3.0 Proposal

3.1 Summary of write offs presented for approval :

	RECOMMENDED FOR WRITE OFF:		
	SCHEDULE	No.	£
NON DOMESTIC RATES	A		£20,205.44
COUNCIL TAX	B		N/A
HOUSING RENTS	C	N/A	N/A
SUNDRY DEBTORS	D	N/A	N/A

3.2 The information set out in Schedule A to Schedule D is exempt from publication under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as it contains “information relating to the financial or business affairs of any particular person (including the authority holding that information)”.

4.0 Legal

4.1 As set out in paragraph 2.5 of this report.

5.0 Financial implications

5.1 Within bad debt provisions.

6.0 Recommendation

6.1 The Cabinet Member for Resources is recommended to consider and approve for write-off the accounts submitted in Schedule A.

6.2 The Cabinet Member for Resources is recommended to consider and approve for write-off the accounts submitted in Schedule B.

**Local Government Act 1972
Background Papers:**

None

Contact Officer:

Corinne McNeall
CenSus Enforcement & Collection Manager
Corinne.mcneall@centralsussex.gov.uk

Schedule of other matters

1.0 Council Priority

1.1 This report does not relate to any specific Council priority.

2.0 Specific Action Plans

2.1 This report does not relate to any specific Action Plans.

3.0 Sustainability Issues

3.1 Matter considered and no issues identified.

4.0 Equality Issues

4.1 Matter considered and no issues identified.

5.0 Community Safety Issues (Section 17)

5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

6.1 Matter considered and no issues identified.

7.0 Reputation

7.1 Matter considered and no issues identified.

8.0 Consultations

8.1 None undertaken.

9.0 Risk Assessment

9.1 Matter considered and no issues identified.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified.

11.0 Procurement Strategy

11.1 Matter considered and no issues identified.

12.0 Partnership Working

12.1 Matter considered and no issues identified.