

Annex D

Extract from CDC Revenues and Benefits Recovery Policy (Council Tax and NNDR)

Appendix 7

Write-offs

An integral part of debt recovery is the effective management of irrecoverable debts to ensure that resources are applied efficiently to the collection of monies outstanding which can reasonably be expected to be collected.

It is good practise to identify and write off irrecoverable debts. This enables the Council to use resources to their maximum benefit.

Policy Aims

1. There are consistent guidelines and procedures to follow
2. Provide a framework to write off debts once every possible recovery process has been exhausted
3. Strike a balance between protecting the Council's financial position and making sure anti-poverty issues are addressed
4. Write offs are carried out in accordance with the Council's Constitution and Financial Rules

Policy

Debts will normally only be considered for write off where the account is closed and there are no recurring debts. Only in exceptional circumstances will amounts on live accounts be considered where there is on-going accruing debt. Such cases must demonstrate that further recovery action will not achieve collection of the debt.

It is not possible to list every scenario which could make a debt suitable for write off. However, the following shows the main reasons why debts become irrecoverable and where approval for write off should be sought:

Reason for Write off	Delegated authorisation approval by S151 Officer	Authorisation Approval by Cabinet
Absconded and/or No Trace: All reasonable attempts to find debtor have failed.	£5,000 and below	£5,001 and above

Deceased: Insufficient or no funds in the Deceased's estate to pay the amount outstanding	S151 Officer	
Debt 'out of time' and/or too old to recover: Debts over 6 years old where a liability order has not been granted (council tax and NDR), or no contact has been made and no payments have been received; in accordance with the Limitations Act 1980, as amended. However for certain Sundry Debts there may be exemptions to this rule and officers should consult Legal Services where they believe the debt is no longer enforceable by virtue of the Limitations Act 1980.	£5,000 and below	£5,001 and above
Uneconomical to pursue/pursue further: When all recovery processes have been tried or considered or the cost of proceedings would be prohibitive.	£5,000 and below	£5,001 and above
Hardship: Each case taken on its own merits	£5,000 and below	£5,001 and above
Debt remitted by Court: Magistrates have remitted the debt.	S151 Officer	n/a
Bankrupt: The debtor is declared bankrupt and sums due as at the date of bankruptcy cannot be recovered.	S151 Officer	n/a
Debt Relief Order (DRO) The debt is included in the DRO and cannot be recovered.	S151 Officer	n/a
Company in Liquidation/Wound Up/Dissolved/Struck Off: The debtor is a Limited Company. The Company no longer exists as a legal entity and there is no means of recovering the debt.	S151 Officer	n/a